İGE
İHRACATI GELİŞTİRME

SUSTAINABLE EXPORTS ROBUST ECONOMY

2024 ANNUAL REPORT

İGE
İHRACATI
GELİŞTİRME

We Are Here to Support Exports, The Main Driver of the National Economic Activity!

Exporters play a key role in a robust economy and İGE has been supporting exporters financially since the day it was established.

A strong export strategy can only be achieved by sound collaboration which requires competent business partners. Since its establishment, İGE has continued its activities by supporting exporters with the credit guarantees it provides.

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İGE as a Policy Tool

We contribute to the development of Turkish economy.

İGE was included in the Medium Term Program (MTP 2025-2027) published in the Official Gazette numbered 32653, once again highlighting the importance of the role it plays in Türkiye's economic development strategy through financial support to exports.

Within the scope of the MTP, İGE is expected to support the development of export financing capabilities, especially with a focus on green transformation and digital transformation and lead the exporters to meet their financing needs.

Exemptions & Benefits

The Central Bank of the Republic of Türkiye (CBRT) has made significant changes to facilitate exporters' access to financing by increasing the effectiveness of loans to be provided with İGE guarantees.

As a result of the amendments to the "Implementation Instructions for Exports and Foreign Exchange Earning Services Rediscount Credits", rediscount credits to be used with İGE guarantees have been included in the scope of exemption in terms of the criteria in the implementation instruction.

With the regulations made in the "Required Reserves Implementation Directive", foreign currency cash loans provided with İGE guarantees are exempted from the monthly growth cap applied to foreign currency cash loans offered by banks.

We support our exporters with the guarantees we provide.

İGE Value Added Score

With the model developed within the scope of the project, it is expected that target-oriented decisions will be made regarding which areas Turkey's export-dedicated resources will be allocated to.

The İGE Value Added Score Project addresses a critical need by enabling SMEs with high value-added export performance/potential to gain greater access to this financing opportunity, thanks to the guarantees by İGE.

We prioritize value-added exports.

İGE - EBRD Collaboration

İGE and the European Bank for Reconstruction and Development (EBRD) signed a memorandum of understanding (MoU) on December 16, 2024.

With this partnership between the two institutions, İGE's mission to support exporters has been strengthened. Through the synergies to be created between the two institutions, İGE will be a catalyst for the EBRD to offer its extensive financial resources to Turkish exporters.

We contribute to the development of exports through international collaborations.

About Export Development Türkiye (İGE)

Exports have a major impact on economic growth and strengthening a country's competitive power in international markets. On the other hand, financing is essential for enabling exports, which is among the key drivers of production, employment, and development. Established in 2021 in a response to this need, Export Development Türkiye (İGE) has undertaken an important task in the financial system and the Turkish economy with the credit guarantees it offers to exporters.

Fast and strong growth

İGE is a credit guarantee organization that aims to facilitate access to financing for companies exporting goods and services.

In order to overcome the collateral barrier of exporters in accessing financing, it was established in Istanbul on October 13, 2021, with an initial capital of TRY 10 million, under the leadership of the Ministry of Trade of the Republic of Türkiye, in partnership with the Türkiye Exporters Assembly (TİM) and Türkiye Export Credit Bank (Türk Eximbank). Employing a team of highly-qualified professionals within 4 months, İGE successfully completed the system and legal infrastructure installation works and started to provide credit guarantees to exporters as of March 2022.

In 2022, with the participation of 61 exporter associations as well as 20 banks, İGE has reached a much stronger ownership and capital structure.

İGE defines its mission as "To facilitate access to financing for exporters who have sufficient credibility but have difficulty accessing financing due to insufficient collateral."

In cooperation with state-affiliated institutions and public organizations, İGE has a professional, transparent and institutional management approach. It considers exporting, a mutual activity regardless of the sector, as a national issue that is directly related to the growth strategy of the country.

The main activity is to support exporters

İGE provides guarantees only for export credits by using credit guarantee applications used domestically and abroad. Diversifying the funds, reducing their cost and making them sustainable for exporters are İGE's main goals. In this context, İGE's main objective is to contribute to the development of exports through financing using the guarantees it provides and to develop the fund-raising capabilities of SMEs, especially those who have difficulties in producing collateral.

Guarantee support for loans totaled

TRY 93.3 billion

by the end of 2024

At İGE, thanks to the ownership structure where exporters and creditors join forces together, strategies to develop exports are designed and implemented with 360-degree synergies.

An important task undertaken for the development of the economy

Export operations play a key role in increasing competitiveness in international markets and in economic growth and development. At this point, İGE aims to be the first organization that comes to mind when export financing is in question.

Just as there is a strong correlation between growth and exports, there is also a direct relationship between exports and financing. The most important action for this is to facilitate exporter companies' access to financing. In this context, İGE has undertaken an important task in providing credit guarantees for exporters, the main drivers of the economic growth. The fact that İGE is included in the Medium Term Program prepared by the Strategy and Budget Directorate of the Presidency of the Republic of Türkiye for the years 2025-2027 reveals that it makes a significant contribution to the country's strategy.

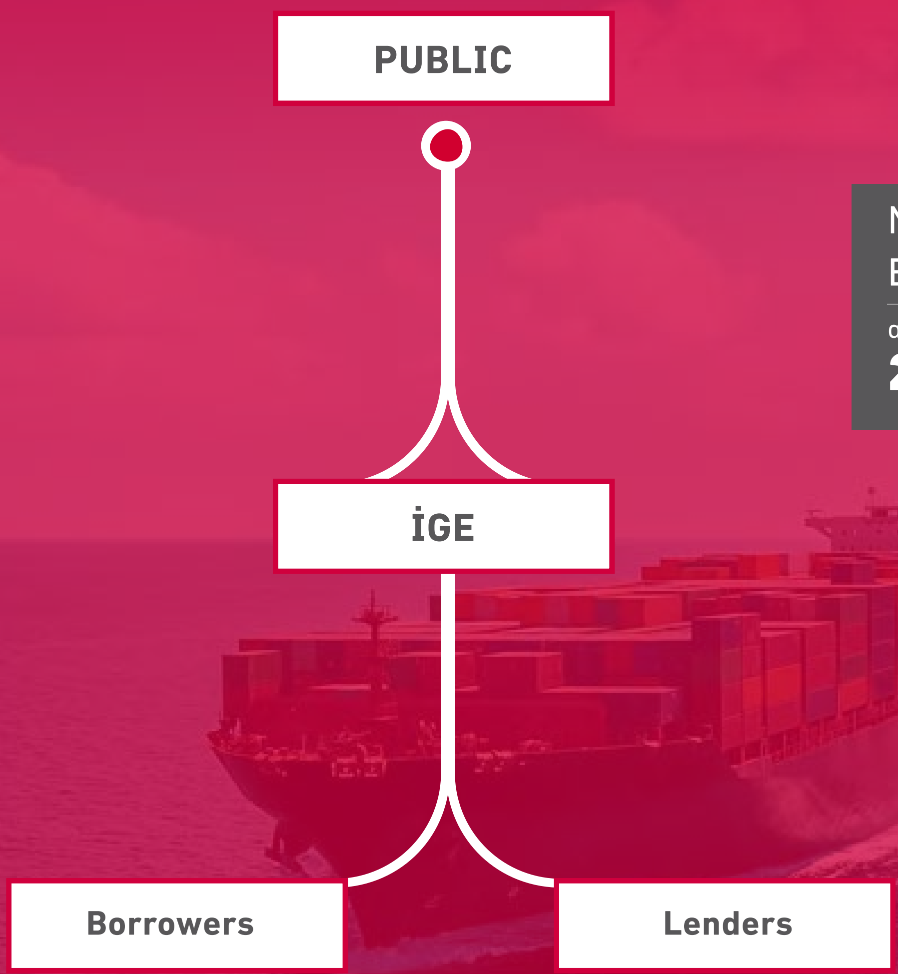
Sustainability of exports for sustainable growth

Collateralisation is an important component in accessing funding. İGE aims to be the main catalyst for export loans by replacing the required collaterals with its guarantees. Working capital loans aside, the Company also supports the themes of renewable energy, energy efficiency, eco-friendly practices, combating climate change and social development.

In 2023, within the scope of the cooperation with two partner banks on energy efficiency, two separate packages with a total credit capacity of TRY 1.7 billion were offered by providing guarantees for funds provided from international financial institutions. In 2024, within the scope of green transformation guarantee packages, initiatives were undertaken with six banks, which are planned to be implemented in a short time.

İGE works closely with the Ministry of Trade of the Republic of Türkiye to support green transformation. As one of the stakeholders of the Green Agreement Alignment Project Support – Responsible® Program prepared by the Ministry, İGE also supports the work of exporters for green transformation.

İGE supports female exporters with a total credit capacity of TRY 2.9 billion through 8 banks with mutually exclusive packages. The company is also among the partners of the TİMWings project carried out by the TİM.



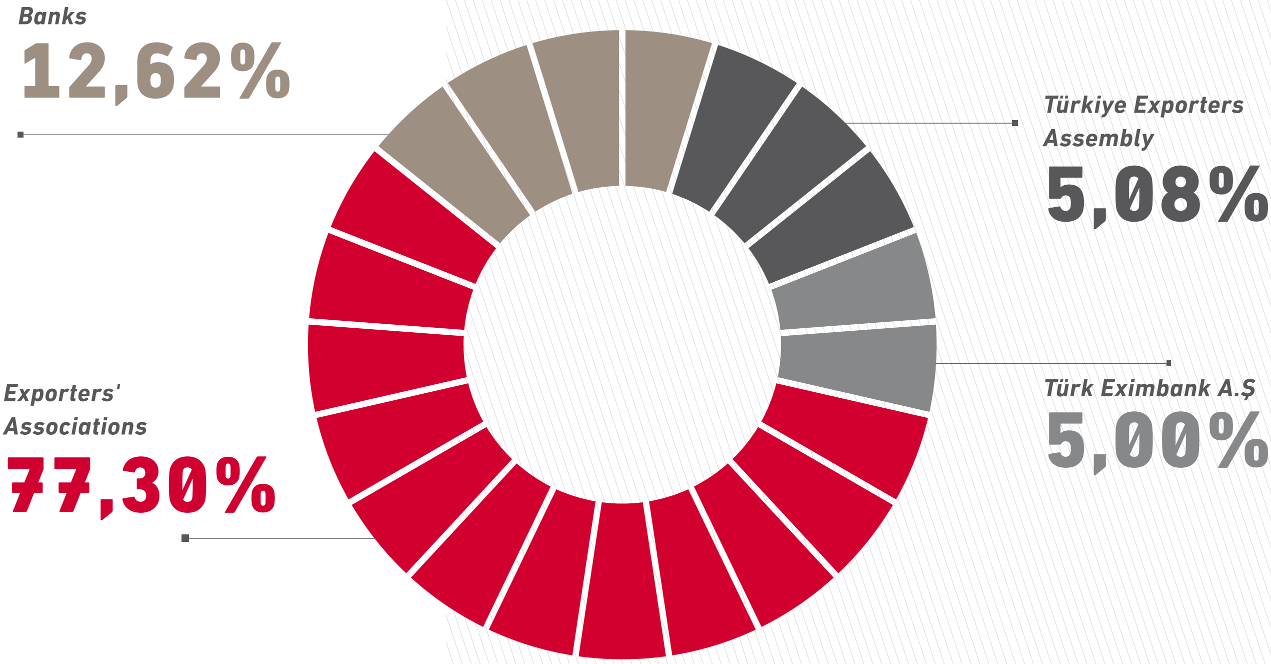
Number of Applications Evaluated by İGE

as of the end of 2024

21,661

Shareholder Structure

With TİM, 61 exporters' associations, Eximbank, and 20 partner banks as shareholders, İGE has a highly robust ownership structure.



İGE shareholders are divided into four share groups. The largest stake in İGE belongs to Group C which is formed by Exporters' Associations.

Shareholder	Share Group	Capital (TRY)	Share Ratio (%)
Türkiye Exporters Assembly	Group A	412,369,898.02	5,08%
Türk Eximbank A.Ş	Group B	406,084,054.49	5,00%
Exporters' Associations	Group C	6,278,278,442.00	77,30%
Banks	Group D	1,024,948,695.27	12,62%
Total		**8,121,681,089.78**	**100%**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List of Shareholders

Shareholder	Share Group	Capital (TRY)	Share Ratio (%)
1. TÜRKİYE EXPORTERS ASSEMBLY	Group A	412,369,898.02	5.08%
2. TÜRK EXIMBANK A.Ş.	Group B	406,084,054.49	5.00%
3. ULUDAĞ AUTOMOTIVE INDUSTRY EXPORTERS' ASSOCIATION	Group C	557,213,915.04	6.86%
4. ISTANBUL CHEMICALS AND CHEMICAL PRODUCTS EXPORTERS' ASSOCIATION	Group C	397,939,474.81	4.90%
5. ISTANBUL APPAREL EXPORTERS' ASSOCIATION	Group C	343,665,239.06	4.23%
6. SERVICES EXPORTERS' ASSOCIATION	Group C	252,646,562.18	3.11%
7. ELECTRICAL AND ELECTRONICS EXPORTERS' ASSOCIATION	Group C	252,085,895.73	3.10%
8. ISTANBUL FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	Group C	239,153,742.57	2.94%
9. STEEL EXPORTERS' ASSOCIATION	Group C	234,548,802.70	2.89%
10. MEDITERRANEAN CHEMICAL PRODUCTS AND DERIVATIVES EXPORTERS' ASSOCIATION	Group C	225,610,448.60	2.78%
11. ISTANBUL FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	Group C	192,256,685.21	2.37%
12. MEDITERRANEAN FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	Group C	168,828,824.88	2.08%
13. CEMENT, GLASS, CERAMICS AND SOIL PRODUCTS EXPORTERS' ASSOCIATION	Group C	163,539,401.31	2.01%
14. ISTANBUL TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	Group C	153,237,479.40	1.89%
15. ISTANBUL MINERALS EXPORTERS' ASSOCIATION	Group C	144,923,581.75	1.78%
16. CENTRAL ANATOLIAN MACHINERY AND ACCESSORIES EXPORTERS' ASSOCIATION	Group C	137,907,972.71	1.70%
17. SOUTHEASTERN ANATOLIAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	Group C	137,451,787.20	1.69%
18. ISTANBUL CEREALS, PULSES, OIL SEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	128,388,589.63	1.58%
19. SOUTHEASTERN ANATOLIAN CEREALS, PULSES, OIL SEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	126,274,641.00	1.55%
20. MEDITERRANEAN CEREALS, PULSES, OIL SEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	126,014,451.27	1.55%
21. DENIZLI EXPORTERS' ASSOCIATIONS	Group C	120,687,675.34	1.49%
22. MEDITERRANEAN FRESH FRUITS AND VEGETABLES EXPORTERS' ASSOCIATION	Group C	119,238,859.51	1.47%
23. AEGEAN FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	Group C	105,773,159.09	1.30%
24. MEDITERRANEAN FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	Group C	96,948,323.04	1.19%
25. EASTERN ANATOLIAN EXPORTERS' ASSOCIATION	Group C	90,449,298.17	1.11%
26. WEST MEDITERRANEAN EXPORTERS' ASSOCIATION	Group C	69,083,207.14	0.85%
27. MEDITERRANEAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	Group C	68,534,341.31	0.84%
28. BLACK SEA HAZELNUT AND HAZELNUT PRODUCTS EXPORTERS' ASSOCIATION	Group C	67,131,183.61	0.83%
29. AEGEAN MINERALS EXPORTERS' ASSOCIATION	Group C	63,341,393.58	0.78%
30. JEWELLERY EXPORTERS' ASSOCIATION	Group C	62,678,209.53	0.77%
31. ULUDAG APPAREL AND CLOTHING EXPORTERS' ASSOCIATION	Group C	60,277,401.31	0.74%
32. AEGEAN TOBACCO EXPORTERS' ASSOCIATIONS	Group C	59,546,802.85	0.73%
33. CENTRAL ANATOLIAN CEREALS, PULSES, OIL SEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	57,870,483.25	0.71%
34. ISTANBUL LEATHER AND LEATHER PRODUCTS EXPORTERS' ASSOCIATION	Group C	56,722,435.93	0.70%
35. CENTRAL ANATOLIAN FURNITURE, PAPER AND FORESTRY EXPORTERS' ASSOCIATION	Group C	55,846,082.47	0.69%
36. ISTANBUL AQUATIC AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	Group C	55,817,734.19	0.69%
37. AEGEAN AQUATIC AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	Group C	54,977,333.88	0.68%
38. SHIP, YACHT AND SERVICES EXPORTERS' ASSOCIATION	Group C	53,022,309.38	0.65%
39. SOUTHEASTERN ANATOLIAN CARPET EXPORTERS' ASSOCIATION	Group C	52,903,556.43	0.65%
40. THE DEFENCE AND AEROSPACE INDUSTRY EXPORTERS' ASSOCIATION	Group C	51,740,086.30	0.64%
41. HVAC-R INDUSTRY EXPORTERS' ASSOCIATION	Group C	48,413,749.58	0.60%

Shareholder	Share Group	Capital (TRY)	Share Ratio (%)
42. AEGEAN FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	Group C	47,717,240.66	0.59%
43. MEDITERRANEAN APPAREL EXPORTERS' ASSOCIATION	Group C	47,565,963.86	0.59%
44. AEGEAN APPAREL EXPORTERS' ASSOCIATION	Group C	47,177,458.10	0.58%
45. ULUDAĞ TEXTILE EXPORTERS' ASSOCIATION	Group C	47,159,102.72	0.58%
46. EASTERN BLACK SEA EXPORTERS' ASSOCIATION	Group C	46,583,649.58	0.57%
47. ANKARA FERROUS AND NON-FERROUS METAL EXPORTERS' ASSOCIATION	Group C	45,349,514.70	0.56%
48. AEGEAN CEREALS, PULSES, OIL SEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	44,784,342.81	0.55%
49. ISTANBUL CARPET EXPORTERS' ASSOCIATION	Group C	42,499,939.24	0.52%
50. AEGEAN DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	42,461,571.84	0.52%
51. AEGEAN FRESH FRUITS AND VEGETABLES EXPORTERS' ASSOCIATION	Group C	41,732,026.59	0.51%
52. AEGEAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	Group C	40,484,057.45	0.50%
53. ISTANBUL HAZELNUT AND HAZELNUT PRODUCTS EXPORTERS' ASSOCIATION	Group C	38,698,264.84	0.48%
54. ULUDAĞ FRUIT AND VEGETABLE PRODUCTS EXPORTERS' ASSOCIATION	Group C	38,073,407.30	0.47%
55. ISTANBUL FRESH FRUIT AND VEGETABLES EXPORTERS' ASSOCIATION	Group C	38,030,699.79	0.47%
56. MEDITERRANEAN AQUATIC AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	Group C	32,991,164.97	0.41%
57. AEGEAN OLIVE AND OLIVE OIL EXPORTERS' ASSOCIATION	Group C	32,498,355.26	0.40%
58. BLACK SEA CEREALS, PULSES, OIL SEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	30,899,590.37	0.38%
59. SOUTHEASTERN ANATOLIAN DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	28,762,311.42	0.35%
60. ULUDAG FRESH FRUIT AND VEGETABLES EXPORTERS' ASSOCIATION	Group C	25,087,604.14	0.31%
61. AEGEAN LEATHER AND LEATHER PRODUCTS EXPORTERS' ASSOCIATION	Group C	23,727,745.20	0.29%
62. ISTANBUL DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	22,659,157.06	0.28%
63. ORNAMENTAL PLANTS AND PRODUCTS EXPORTERS' ASSOCIATION	Group C	20,644,153.16	0.25%
64. TÜRKİYE VAKIFLAR BANKASI T.A.O.	Group D	194,742,471.29	2.40%
65. TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.	Group D	194,742,471.29	2.40%
66. TÜRKİYE İŞ BANKASI A.Ş.	Group D	77,111,468.97	0.95%
67. TÜRKİYE GARANTİ BANKASI	Group D	77,111,468.97	0.95%
68. YAPI VE KREDİ BANKASI A.Ş.	Group D	77,111,468.97	0.95%
69. AKBANK T.A.Ş.	Group D	77,111,468.97	0.95%
70. TÜRKİYE HALK BANKASI A.Ş.	Group D	73,304,017.72	0.90%
71. ZİRAAT KATILIM BANKASI A.Ş.	Group D	49,141,567.19	0.61%
72. QNB BANK A.Ş.	Group D	29,025,925.63	0.36%
73. TÜRK EKONOMİ BANKASI A.Ş.	Group D	29,025,925.63	0.36%
74. KUVEYT TÜRK KATILIM BANKASI A.Ş.	Group D	29,025,925.63	0.36%
75. ING BANK A.Ş.	Group D	29,025,925.63	0.36%
76. TÜRKİYE FİNANS KATILIM BANKASI A.Ş.	Group D	29,025,925.63	0.36%
77. ODEA BANK A.Ş.	Group D	14,655,705.92	0.18%
78. ŞEKERBANK T.A.Ş.	Group D	11,749,395.23	0.14%
79. DENİZBANK A.Ş.	Group D	9,824,896.08	0.12%
80. ALTERNATİF BANK A.Ş.	Group D	5,803,166.63	0.07%
81. ANADOLUBANK A.Ş.	Group D	5,803,166.63	0.07%
82. TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.	Group D	5,803,166.63	0.07%
83. VAKIF KATILIM BANKASI A.Ş.	Group D	5,803,166.63	0.07%
TOTAL		**8,121,681,089.78**	**100%**

Our Mission and Vision

MISSION

To provide the collateral that exporters need in the process of accessing financing.

VISION

To be one of the most important institutions and policy tools of our country in supporting exports and exporters, which are the main factors of production, employment and development.

Our Values

Our mission is our passion.

- We are mission-oriented.
- We create value.
- We see the whole.
- We are passionate.

We are aware that the mission we have undertaken serves the economic prosperity of the country by developing exports.

While we take this important mission into consideration in determining our corporate strategies, activities and decisions, we also bring meaning to our work individually by focusing on our reason for existence and the impact we create in society.

The measure of our success is our contribution to the country's exports and the added value we provide.

We do not get discouraged by the journey.

- We are hardworking.
- We are determined.
- We are flexible and adaptable.
- We work as a team.

Our journey requires hard work and perseverance, a willingness to rise up to challenges, overcome obstacles and achieve goals.

Being on the path requires the ability to adapt to any situation in an ever-changing and evolving world.

As we progress on our path, we work together, support each other without ego, and create something greater than the sum of ourselves.

We move forward together on the path.

- We have a participative management approach.
- Employee well-being is our priority.
- We are fair.
- We are qualified.
- We are respectful.
- We attach importance to employee development.

Just as we share our responsibilities with our employees, we also take their opinions and expectations into consideration in decision-making processes.

We take into consideration the needs of our employees such as health, safety, work-life balance. Work peace and employee happiness are important factors for the success of İGE.

We value individual values and differences; we create a work culture based on the principles of justice, respect, transparency and merit.

We support the personal and professional development of our employees and enable them to reach their potential.

Our fuel is advanced technology.

- We are agile.
- We are innovative.
- We improve constantly.
- We have advanced technology.

With physical and mental agility and proactive approaches, we respond quickly and appropriately to the needs and demands of our stakeholders.

We boldly put forward innovative solutions to reduce risks and succeed in today's rapidly and constantly evolving world.

We adopt the Kaizen philosophy, which means "continuous improvement." We always aim to achieve the best in all our processes, convinced that we can always do better.

For us, technology is not just a supporting factor determined by priorities and budget; it is a fundamental building block that enables us to create value in every area of the organization and respond quickly to the needs of our business and stakeholders.

Milestones

2021

October 13, 2021: Export Development Türkiye (İGE) was established in partnership with TİM and Eximbank with a capital of TRY 10 million.

November 15, 2021: The first General Assembly was held, the Board of Directors was formed and the General Manager was appointed.

December 16, 2021: With the participation of 61 exporters' associations, İGE increased its capital from TRY 10 million to TRY 1,461,270,998.

2022

March 01, 2022: The first lender integration was made with Eximbank.

March 10, 2022: Own-funds Guarantee Package was launched.

March 11, 2022: The first collateral generation started with Eximbank.

May 10, 2022: The "Treasury Support Protocol" was signed with the Ministry of Treasury and Finance of the Republic of Türkiye.

July 04, 2022: 20 banks joined as shareholders . With the participation of new shareholders, the capital of İGE increased to TRY 1,851,027,998.

November 08, 2022: The first bank integration other than Eximbank has been completed.

November 10, 2022: 2nd Own-funds Guarantee Package was launched.

2023

May 02, 2023: Türkiye Ticaret Bankası was acquired.

May 17, 2023: The İGE 100th Year Treasury Support Package has been put into effect.

October 2023: The İGE Green Transformation Guarantee Package was launched.

December 2023: The İGE Women in Exports Package was launched.

December 20, 2023: The İGE Guarantee Portal was launched and went live.

2024

February 2024: The model development process for the İGE Value Added Score has been completed.

September 30, 2024: İGE was included in the Medium Term Program (MTP 2025-2027) published in the Official Gazette numbered 32653 dated September 5, 2024.

October 04, 2024: Export Model added to İGE Credit Score.

October 17, 2024: The Rising Exports Guarantee Package was put into effect.

November 15, 2024: The High Value Added Exports Package was implemented.

November 15, 2024: The Compass Guarantee Package was launched.

December 13, 2024: The İGE Foreign Currency Guarantee Package was implemented.

December 19, 2024: The Defense Industry Supplier Support Package has been put into effect.

Message from the Chairman

As of 2024, 18.2% of the TL-denominated loans provided to our exporters—who play a significant role in economic growth—are backed by İGE guarantees.

Although 2024 was a year of uncertainties and challenges around the world, strong steps have continued to be taken for the Turkish economy. Despite global macroeconomic volatilities and geopolitical crises, the economic model we have implemented has provided a solid foundation for our exporters and contributed to the sustainable economic growth of our country. Despite all the challenges, our exports broke a record once again in 2024, reaching USD 262 billion with a 2.5% increase y-o-y. Türkiye's ability to sustain growth with its strong domestic dynamics and strategic decisions during this difficult period is a result of the determination and harmony in economic policies.

Exports continue to be the driving force of our country's economy with contributions in many areas, primarily the current account balance, production and employment. Aware of the importance of exports, we stand by our exporters in every aspect they need, primarily with the Ministry of Trade and all relevant institutions and organizations, and we provide support to our exporters in every area required, from market entry to export financing, from commercial information and guidance services to commercial diplomacy.

THE SERVICES İGE PROVIDES TO EXPORTERS ARE GROWING AND DIVERSIFYING

In this context, we have taken important steps to increase the competitiveness of our exporters and ensure that they have a stronger position in global markets with the financing solutions offered by İGE in 2024. During this process, İGE has developed projects that accelerate access to financing for all exporters, from SMEs to large-scale companies. The İGE team continues its work with a focus on meeting the financing needs at every stage of the export process and offering sector-specific solutions. In this context, İGE, with the power of its cash resources of TRY 10 billion, reached more than 10,000 exporters as of the end of 2024 and provided guarantees for a total of TRY 93.3 billion in loans. In 2024 alone, we provided credit guarantees to 1,338 new exporters to raise TRY 12.1 billion in loans for exports.

In 2024, İGE expanded the financial opportunities it provided to exporters and supported them with digital solutions. İGE started to support the needs of exporters in this regard by providing guarantees for FX-denominated loans and FX-denominated rediscount loans, which were introduced for the first time by the Central Bank of the Republic of Türkiye. In 2024, green transformation efforts continued in order to support sustainable exports and efforts were made to support our female exporters with more packages. In addition, a separate package was created for companies operating in the defense industry in cooperation with the Secreteriat of Defense Industries. In line with our country's export strategy, in order to provide more guarantee limits to exporters producing value-added products, the İGE Value Added Score was developed and High Value Added Exports Guarantee Packages were implemented through Eximbank and Türk Ticaret Bankası. With these projects, not only exports but also sustainable growth were supported. The İGE Guarantee Portal provided faster response to the financing demands of exporters and also provided access to financing under the most favorable conditions. On the other hand, concrete steps have been taken towards cooperation with international organizations, and our first protocol in this context was signed with the European Bank for Reconstruction and Development (EBRD).

[34.4]

Amount of loans guaranteed in 2024 (TRY Billion)

WE WILL MOVE İGE FORWARD

The visionary approach and innovative solutions of İGE have a great share in the progress we have achieved in the field of export financing in 2024. Access to financing for exporters is one of the main topics that will support the sustainable growth of the Turkish economy. In line with this mission to contribute to our country and economy in 2025, İGE will continue to work with our stakeholders to further expand and develop the innovative and effective financing tools offered.

In this process, I would like to express my gratitude to the Ministry of Trade, which has led our country's export initiative, as well as our founding partners TİM and Eximbank, which have been the most important supporters of İGE since its establishment, our exporters' associations, the Ministry of Treasury and Finance, which are important stakeholders of the İGE guarantee system, our banks and all my colleagues who have contributed.

Kind regards,

Mustafa Tuzcu
Chairman of the Board of Directors

Message from the General Manager

2024 was a year in which we continued to provide the financing solutions our exporters needed by adapting to rapidly changing conditions in an intense local and global agenda.

We continued to mature our infrastructure throughout 2024, when we celebrated the 3rd anniversary of İGE. In addition to this vertical expansion, we also accelerated the growth of İGE's impact area horizontally. The numerous public/private collaborations we undertook throughout the year and the communication activities we conducted both within and outside the ecosystem supported this horizontal expansion. The Ministry of Trade and the Ministry of Treasury and Finance did not withhold their support, as they never do, in our efforts for both the vertical and horizontal growth of İGE. Again, our founding partner and the umbrella organization of exporters, the Türkiye Exporters Assembly, acted in great synergy with the İGE team, both at the level of general secretariats and sectoral association presidents, to ensure that İGE offers innovative solutions for the financing needs of exporters and to promote these solutions to the masses and to spread the benefits in a granular manner.

In 2024, İGE continued to diversify and increase its efforts to meet the financing needs of our exporters. With the guarantee packages we offered, we have received 21,661 applications to date and provided guarantees for TRY 93.3 billion worth of loans. 2024 was an important year in terms of the effective use of export support mechanisms on Türkiye's sustainable export path. Despite the rapid change in both the domestic market and the global economy, we took strong steps and achieved significant gains. Exports continued to play a central role in Türkiye's sustainable development. As of 2024, we supported our exporters to take a stronger place in international markets with the packages we developed to provide credit guarantees. As İGE, we offered new opportunities to our exporters with digital transformation and innovation-focused projects. Thanks to important tools such as the İGE Guarantee Portal, we facilitated the exporters' access to financing and ensured that they access financing under the most favorable conditions. As of the end of 2024, the number of users of the İGE Guarantee Portal reached 2,050, while the loan amount approved through the portal was realized at TRY 16.6 billion.

The mission of İGE to reduce the collateral burden of exporters assigned in the 2025-2027 Medium Term Program by the Presidency's Strategy and Budget Directorate towards the end of 2024 was a development that made the entire İGE team proud and underlined the responsibility we carry.

In 2024

5,413 applications

1,338 new beneficiaries

The Central Bank of the Republic of Türkiye amended the "Implementation Instructions for Export and Foreign Exchange Earning Services Rediscount Credit" on 08.10.2024, requiring banks to calculate the "exporter score" to be implemented after January 13, 2025. In the rediscount credits to be used by banks, if there is an İGE guarantee, banks are allowed to grant credit without running a score calculation. On the other hand, banks are also exempt from monthly credit growth restrictions for İGE guaranteed FX-denominated credits. With these exemptions, the effectiveness of our facilitator role in exporters' access to financing processes and banks' credit evaluation processes has increased further.

One of the most frequently expressed demands in the field was the provision of guarantee support for loans used in foreign currency by İGE. In order to provide guarantees for foreign currency, we completed the necessary infrastructure in 2024 and launched our guarantee support packages corresponding to a total of TRY 12.5 billion for banks and TRY 3.9 billion for Eximbank in FX-denominated loans. On the other hand, we also put into effect our guarantee support package corresponding to a total of TRY 31.1 billion in FX-denominated rediscount credit volume that the Central Bank has opened to exporters through Eximbank and can be used with İGE guarantee.

Within the scope of developing exports, we have implemented the İGE Value Added Score project in order to prioritize access to financing for those who export with high added value by providing credit guarantees regardless of the sector. This model, which was developed in accordance with the country's export strategies, determines which areas should be prioritized for the allocation of Turkey's export-dedicated resources.. At the same time, it is planned to increase the share of companies providing value added services, production and exports in funding. In this context, we have launched our packages that provide guarantee support for a total of TRY 5.2 billion in loans with Eximbank and Türkiye Ticaret Bank.

In 2023, Türk Ticaret Bankası, which has a deep-rooted tradition of 112 years and of which we are the main shareholder, is preparing to reopen its doors to offer specialized banking activities focused on exports and exporters. As İGE, our guarantee packages offered by Türk Ticaret Bankası to be used by exporters reached a size corresponding to a total credit volume of TRY 10 billion as of December 2024.

In line with our vision of expanding İGE's effectiveness, the memorandum of understanding we signed with the European Bank for Reconstruction and Development (EBRD) was an important step in terms of showing İGE's place in the eyes of international organizations. I believe that this cooperation will evolve into packages and projects that will bring fresh FX-denominated loans to our country. We will be making similar cooperations with other international financial institutions in the coming period.

As İGE, we attach importance to the fact that the products and services we offer for export financing are widely used by as many of our exporters as possible. For this reason, we have accelerated our training and communication activities in 2024. While organizing Export Financing Meetings in Adana, Istanbul and Denizli, where we brought together representatives of the exports and banking communities, we explained the products and services offered by İGE to large audiences in the training sessions and conferences we attended in many other cities.
In the coming period, we will continue our efforts to offer new opportunities to our exporters and to ensure that Turkish exporters become even stronger actors in global trade.

I would like to thank the esteemed bureaucrats of the Ministry of Trade and the Ministry of Treasury and Finance who have supported us since the establishment of İGE, our stakeholders within our founding partner TİM, our banks that we cooperate with, especially our founding partner Eximbank, our valuable board members and my teammates who work with great motivation at İGE. I hope that our work at İGE will continue to contribute to the economic development goals of our country.

Kind regards,

Fatih Tuğrul Topaç
Board Member and General Manager

Board of Directors

Mustafa Tuzcu
Chairman of the Board of Directors

Born in Gebze in 1979, Mustafa Tuzcu graduated from Ankara University, Faculty of Political Science. He completed his master's degree at Boğaziçi University, Department of Political Science and International Relations, and at the Fletcher School of Law and Diplomacy in the United States. He continued his doctoral studies at METU.

He began his career as a sectoral expert at the Exporters' Association, later serving as an assistant expert at the Undersecretariat of Foreign Trade. Between 2005 and 2014, he held various roles, including Foreign Trade Expert, Ministerial Advisor, and Deputy Director General of Agreements at the Undersecretariat of Foreign Trade, the Ministry of Economy, and the Ministry of Trade. He also served abroad as Trade Counselor in Baghdad and as Chief Trade Counselor at the World Trade Organization (WTO).

On May 8, 2021, he was appointed Deputy Minister of Trade. During his tenure, he chaired the WTO Safeguards Committee, co-chaired the Türkiye-Arab League Economic and Investment Committee, and served as Chair of the G20 Trade and Investment Working Group. Representing Türkiye in WTO, G20, UNCTAD, and OECD meetings, he led negotiations on trade and free trade agreements as Chief Negotiator. He played a key role in establishing the OECD Istanbul Center for Competitiveness and led the development of strategic export policies such as the Far East Strategy and the Green Deal Strategy.

Currently, he serves as Deputy Minister responsible for international trade relations, trade negotiations, imports, trade policy defense instruments, product safety, free zones, budget management, and halal accreditation at the Ministry of Trade. He is also Chairman of the Board at Export Development Türkiye (İGE) and a member of the Board at the Central Securities Depository & Trade Repository of Türkiye.

Mustafa Tuzcu is married with three children. He speaks fluent English, intermediate Arabic, and basic French.

Mustafa Gültepe
Vice Chairman of the Board of Directors

Mustafa Gültepe was born in 1968 in the Tonya district of Trabzon. He graduated from Dokuz Eylül University, Department of Industrial Engineering, in 1990, and completed his MBA at Istanbul University in 1997.

He began his professional career in 1992 at Taha Tekstil. In 1994, he played a key role in the establishment of Talu Tekstil under the umbrella of Taha Tekstil. He continues to serve as the founding partner and Chairman of the Board of Talu Tekstil.

Throughout his 33-year professional journey, Gültepe has assumed significant responsibilities within sectoral institutions and organizations. Between 2017 and 2021, he served as President of the Board of the Sakarya Organized Industrial Zone.

He joined the Board of Directors of the Istanbul Apparel Exporters' Association (İHKİB) in 2010. In April 2018, he was elected President of İHKİB's Board of Directors, and in June 2022, he was elected President of the Türkiye Exporters Assembly (TİM).

In addition to his roles at İHKİB and TİM, Mustafa Gültepe also holds the positions of Vice President of the Board of the Foreign Economic Relations Board (DEİK), Board Member of Türk Eximbank, Vice President of the Board of Export Development Türkiye (İGE), Vice President of Türk Ticaret Bankası, and Member of the Executive Committee of KOSGEB.

Gültepe is married with three children and has a proficient command of English.

Mehmet Ali Kılıçkaya
Board Member

Mehmet Ali Kılıçkaya was born in 1979 in Kayseri. After graduating from the Department of Business Administration at the Middle East Technical University (METU - ODTÜ) in 2001, he completed his master's degree in The Fletcher School of Law and Diplomacy at Tufts University, USA.

Mr. Kılıçkaya started his career in 2001 as Assistant Foreign Trade Specialist at the Undersecretariat for Foreign Trade of the Prime Ministry, Directorate General of Exports (DG of Exports). He later served in the positions at the same DG as Foreign Trade Specialist, Chief of the Section, Department Head and Deputy Director General between 2005-2019 respectively. After serving as Director General at USHAŞ (Uluslararası Sağlık Hizmetleri A.Ş.) from February 2019 to January 2022, he was appointed Director General of Exports at the Ministry of Trade on April 26, 2022.

Mr. Kılıçkaya has an advanced command of English and a basic level of proficiency in Arabic. He is married and has two children.

Ali Güney
Board Member

İsmail Halıcı
Board Member

Baran Çelik
Board Member

Ali Güney is the Chief Executive Officer of Türk Eximbank and a member of its Board of Directors. His career spans over three decades, marked by expertise in both finance and Treasury management within the banking industry. Güney began his career in the Fund Management Department of Faisal Finance in 1990 and has since held various senior management positions in prominent Turkish financial institutions. He served in roles including Assistant Manager in the Fund Management and Treasury Department at İhlas Finance, Fund Management and Treasury Manager at Anadolu Finance and, Treasury Manager at Türkiye Finans Participation Bank. He has also held key positions as the Deputy General Manager responsible for Treasury and Financial Institutions at Türkiye Finans Participation Bank and Deputy General Manager overseeing Treasury and Strategy at Vakif Participation Bank.

Since October 17, 2019, he has been serving as a Member of the Board and CEO of Türk Eximbank, showcasing his extensive experience and leadership in the finance industry. In addition to his current roles, Mr. Güney is a distinguished member of the Board of Directors at Export Development Türkiye and the Banks Association of Türkiye demonstrating his significant contributions in the Turkish finance sector.
Mr. Güney graduated from Marmara University with a degree in Economics and Administrative Sciences.

Born in Ankara in 1985, Halıcı graduated from Ankara University, Faculty of Political Sciences, Department of Economics.

He started his professional career as a Junior Treasury Controller at the Undersecretariat of Treasury in 2011. Between 2011 and 2021, he worked as a Treasury Controller in various audit activities such as the audit of funds provided by the European Union under the IPA, revenue loss reviews of public banks and Treasury Share reviews of GSM operators. Since April 2023, he has been serving as the Deputy Director General at the General Directorate of Financial Markets and Exchange of the Ministry of Treasury and Finance. At the same time, since December 2021, he has been working as the Advisor to the Deputy Minister at the Private Secretary Directorate of the Ministry of Treasury and Finance.

Born in Bursa in 1977, Çelik graduated from Uludağ University, Faculty of Engineering and Architecture, Department of Mechanical Engineering. He completed his Master's Degree in Mechanical Engineering at the same university and received the title of Mechanical Engineer MSc.

Çelik began his career in 2000 as a member of the Board of Directors of Beyçelik A.Ş. Çelik, who currently serves as the Vice Chairman and CEO of Beyçelik Holding A.Ş., is also Chairman of the Board of Directors of Beyçelik Gestamp, a company within the Holding. Çelik, who has also served as the Vice Chairman and CEO of various companies within the Holding since 2007, has been the Chairman of the Board of Directors of OIB and a member of the Board of Directors of DEIK since 2018.

Baran Çelik is married and has three children.

Board of Directors

Dr. Güven Uçkan
Board Member

Born in Isparta in 1950, Uçkan graduated from Ege University, Faculty of Economics with an Honors Degree. While working as a lecturer at Ege University, Institute of International Economic Relations, he completed his PhD in International Economics. During the same period, he did pre-doctoral studies at the University of Exeter, England, and the University of Giessen, Germany.

He left the university in 1982 and moved to the private sector. He worked as Export Manager at Meko Metal A.Ş. and Raks Elektronik A.Ş. In 1996, he started working as Deputy General Manager responsible for finance, export operations and public relations at Vestel Ticaret A.Ş. In 2012, he became the Advisor to the Board of Directors and Deputy General Manager responsible for Public Relations and Export Operations, and he still holds this position. Between 2003 and 2018, he served as a Board Member, Vice President and a member of the Sector Board of the Electrical and Electronics Exporters' Association (TİM). He became the President of the Electrical and Electronics Exporters' Association in 2018. Uçkan, who was interested in wrestling during his high school and university years, won the Youth and Inter-University Turkish Wrestling Championships, and became the Turkish Greco-Roman Champion in 1974 and 1975 and was on the National Team. He served as a member of the Technical Committee in the Wrestling Federation and as the youth national team coach in 1977. He also worked as a faculty member at Manisa Celal Bayar University Sports Academy and Ege University Sports College. He has published works and articles on international economics and wrestling.

Dr. Güven Uçkan is married and has three children.

Mehmet Şükrü Taşcı
Board Member

Born in Safranbolu in 1970, Taşcı graduated from Gazi University, Faculty of Economics and Administrative Sciences, Department of Business Administration.

He started working as an Assistant Auditor at TC Ziraat Bank on December 9, 1993. He later worked as an Auditor, Chief Auditor, Deputy Chairman of the Audit Board and Branch Manager. He served as Head of Financial Reporting and Accounting Department between September 2008 and June 2012, Regional Manager between July 2012 and September 2018, and Chairman of the Audit Board between October 2018 and March 2021. Taşcı, who is a member of the Management and Audit Boards of the bank's domestic and international subsidiaries, has been serving as the Deputy General Manager for Credit Underwriting and Management of the bank since April 2021. He is also the Chairman of the Supervisory Board of Ziraat Bank International AG. Taşcı holds CPA and Independent Auditor certificates.

Mehmet Şükrü Taşcı is married and has one child.

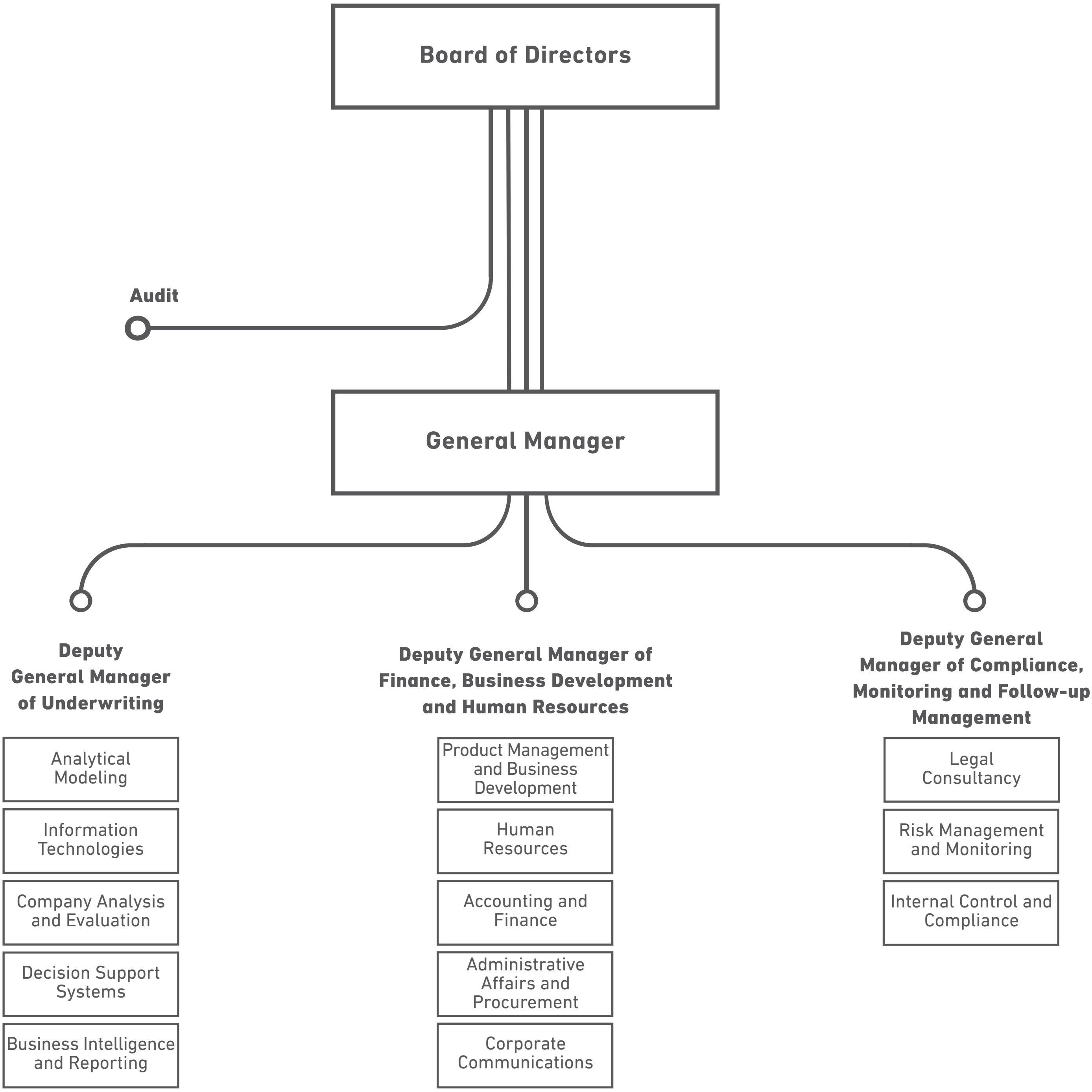
Fatih Tuğrul Topaç
Board Member

Born in 1982, Topaç graduated from Marmara University, Department of Economics in English and started his career as an Internal Auditor in the Internal Control Department of Kuveyt Türk Participation Bank in 2005.

After working as a bank auditor at Akbank and HSBC between 2006 and 2011, he held senior roles as a Banking Analyst and Strategy Specialist at Ata Yatırım, Yapı Kredi Bank and Teb Yatırım between 2011 and 2017. Finally, he served as the Head of Strategy at Türkiye Finans Participation Bank between 2017 and 2022.

Topaç, who joined İGE as the Deputy General Manager responsible for Finance, Business Development and Human Resources in November 2022, was appointed as the General Manager and Member of the Board of Directors as of June 2024.

Organization Chart



Economic Developments in 2024: Global Economy and Türkiye's Outlook

Global Outlook

Supply chains, which have been hit hard by the Covid-19 pandemic, have caused record inflation rates. Global economic policies put in place since 2022 to combat this have brought the general price level closer to the targeted results in 2024; however, as in 2023, they have not created the expected downward pressure on economic activity.

The relatively strong performance of the USA, energy prices that lost momentum after reaching record levels during the Russia-Ukraine war, and the relative recovery of the Chinese economy have been influential in this outlook of the global economy. Although global growth has maintained its resilience despite the record-tight monetary policies being implemented, a balanced outlook has not emerged among countries. While weak economic performance was seen especially in European countries, the US economy performed strongly above expectations. With this weak economic growth and expectations concentrating on a weakening economic outlook, the European Central Bank (ECB) began the interest rate reduction process in June. It is anticipated that interest rates will decrease to 2% by mid-2025, with interest rate reductions continuing at every meeting until mid-2025. The US Federal Reserve (Fed), on the other hand, made its first reduction to the interest rate, which had been kept at a record level of 5.5% for more than a year, at its meeting in September 2024. With the November and December reductions, the Fed reduced the interest rate to 4.50% by the end of 2024.

Developing countries, on the other hand, maintain their cautious stance in interest rate reduction processes due to the deceleration of the improvement in the inflation outlook. In the coming period, it is anticipated that interest rate reductions may continue in developed and developing countries, albeit at different paces, depending on the decline in inflation. However, considering the levels of inflation rates that are still far from the target, rigidities especially stemming from service inflation, and the recent increase in geopolitical risks originating from the Middle East, it is expected that the reduction processes will be continued cautiously in a way that will maintain monetary tightness and ensure the continuation of the decline in inflation.

Future Prospects

Regarding 2025; while geopolitical developments and fluctuations in commodity prices continue to be important risk factors in the disinflation process, the moderate course of supply conditions and the tight stance in monetary policies are expected to continue to support the decline in inflation on a global scale. The desired point has not yet been reached in the inflation outlook. In addition, the approaches of the new US administration, which is expected to implement macroeconomic policies that could lead to trade wars and increase inflation, are considered to be a risk factor on inflation and growth globally.

It is expected that the economic and geopolitical agenda items to be inherited from 2024 will continue to find a place on the global agenda, taking shape in light of developments specific to 2025. In the global arena, where the second Trump term in the US will particularly bring the theme of protectionism to the forefront again, the steps expected to be taken by the European Union (EU) to strengthen its competitiveness will also be among the important issues to be followed on the agenda.

Türkiye's Outlook

Conventional economic policies implemented in Türkiye following the May 2023 elections continued to be implemented in 2024 with the aim of “ensuring price stability and strengthening fiscal and external balance”.

As may be recalled, as of June 2023, the economy management aimed to steer both foreign and domestic investors toward Turkish Lira–denominated assets through increased confidence, supported by economic policies aligned with the disinflation target. With this approach, the main goal was determined as accelerating the decline in inflation with real appreciation in TL and ultimately ensuring a balance in growth. Despite the record weakness in the economic outlook of the EU, the largest trading partner, in 2024, exports continued to grow and compensated for the pressure in demand with market share increases, increasing its share in EU imports to 4% and managing to hold on to that level. In this sense, exports continue to grow with new market share gains along with the moderate course of the global economy in both the EU and other markets. This outlook is expected to improve further with stronger growth in the EU in 2025.

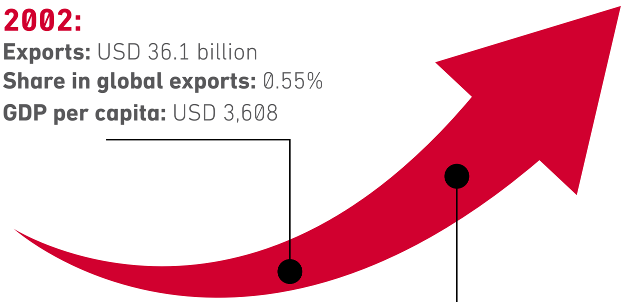
Foreign Trade Realizations

Within the framework of these policies, the interest rate hike process initiated by the Central Bank of Turkey (CBRT) in the second half of 2023 and lasting until March 2024 was followed. While the policy rate was kept constant at 50% for approximately 9 months until the December 2024 meeting, policies regarding the income generation mechanism also came to the forefront in this process. The CBRT, which evaluated the stage reached in the last Monetary Policy Committee meeting of 2024 positively, made a 250 basis point interest rate cut and announced that it would make future interest rate decisions with an inflation outlook-focused, cautious and meeting-based approach. When we look at whether the mechanism targeted by the policies is working; it was observed that the credit default swap (CDS) premium, which reveals the risk levels of countries in terms of confidence, showed a significant decrease in Türkiye after May 2023 and converged to the average CDS levels of similar developing countries. The rating increases of credit rating agencies also emerged as another indicator that the policies implemented in Türkiye are in the right direction. Export revenues, which were USD 36.1 billion in 2002, rose to a record level in the history of the Republic with USD 261.8 billion in 2024. Thus, the share of global exports increased from only 0.55% in 2002 to 1.08% in 2024 (calculated from annualized data for the third quarter of 2024).

In 2024, import figures decreased by 5.0% to USD 344 billion. In this context, thanks to the increase in exports and the decrease in imports, the foreign trade deficit decreased by 22.7% in 2024 to USD 82.2 billion. The export-import coverage ratio increased by 5.5 points to 76.1%.

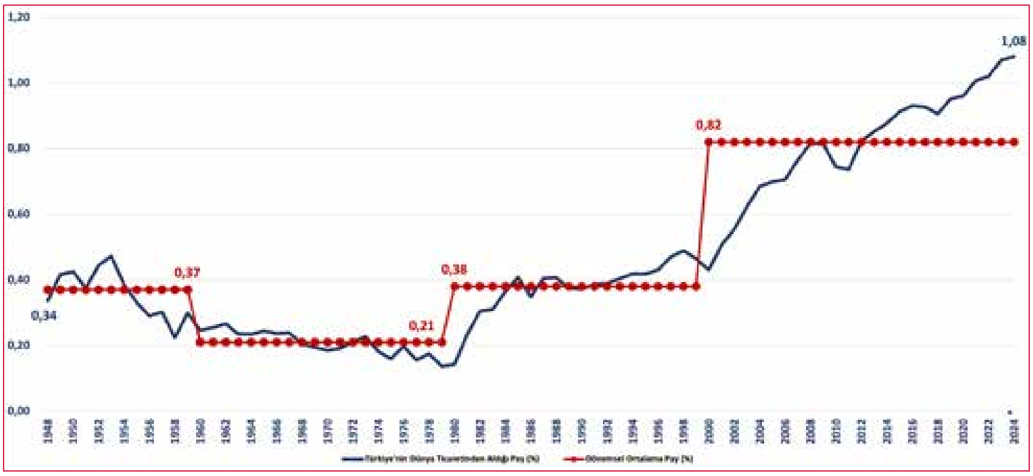
Türkiye is gradually consolidating its place in global markets. While the share of global goods exports, which was 0.34% in 1948, decreased to an average of 0.21% in the 1960-1980 period due to import substitution policies, it increased steadily in the post-1980 period due to the export-led growth strategy and liberalization policies after the 1990s; it rose to 0.96% in 2020, to 1.01% in 2021, exceeding the 1% threshold for the first time, to 1.07% in 2023 and to 1.08% in the third quarter of 2024. As included in the Twelfth Development Plan, the share of world goods exports is targeted to increase to 1.3% in 2028.

2002:
Exports: USD 36.1 billion
Share in global exports: 0.55%
GDP per capita: USD 3,608



2024:
Exports: USD 261.8 billion
Share in global exports*: 1.08%
GDP per capita: USD 15,463

Source: TUIK, WTO



Source: TUIK, WTO

Despite the challenging global conditions in 2024, the achievements are:

The export record in the history of the country was broken with USD 261.8 billion in 2024. While exports exceeded USD 1 billion in 31 provinces, exports were increased in 55 provinces.

12,806 products were exported to more than 220 countries/regions. Record exports were achieved to 61 countries and 7 geographical regions.

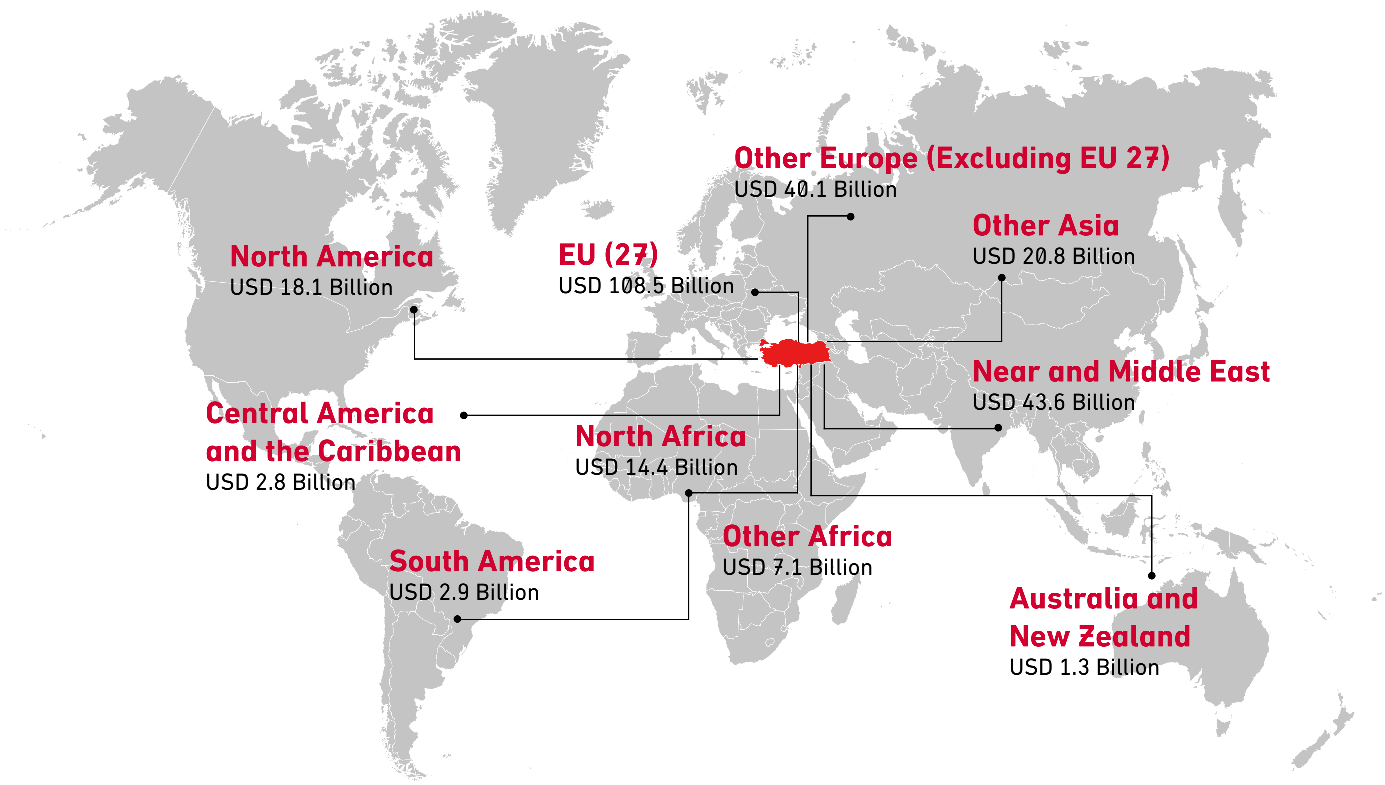
The number of exporting companies increased to 180,544. A contribution of USD 7 billion was provided to companies exporting for the first time.

The number of chapters with exports exceeding USD 1 billion in 2024 was 53. In terms of exports by chapter, the highest exports in history were made in 41 chapters.

Source: TUIK, WTO, Ministry of Trade

The geographical diversity of international trade is also increasing. In 2024, exports to the EU, one of the most important trading partners, increased by 2.4% and reached USD 108.5 billion. Exports to North America increased by 9.4% to USD 18.1 billion, and exports to North Africa increased by 5.4% to USD 14.4 billion.

When export data is examined by economic groups, exports to OECD countries increased by 2.2% to USD 135.3 billion, exports to the Eurozone increased by 2.1% to USD 81.2 billion, exports to member countries of the Organization of Islamic Conference increased by 5.8% to USD 69.9 billion. Exports to OPEC countries increased by 2.4% to USD 36.7 billion, and finally exports to the Turkic Republics increased by 12.8% to USD 11.1 billion.



Source: TUIK

The top five destination countries for exports in 2024 were Germany, the United States, the United Kingdom, Iraq, and Italy, respectively.

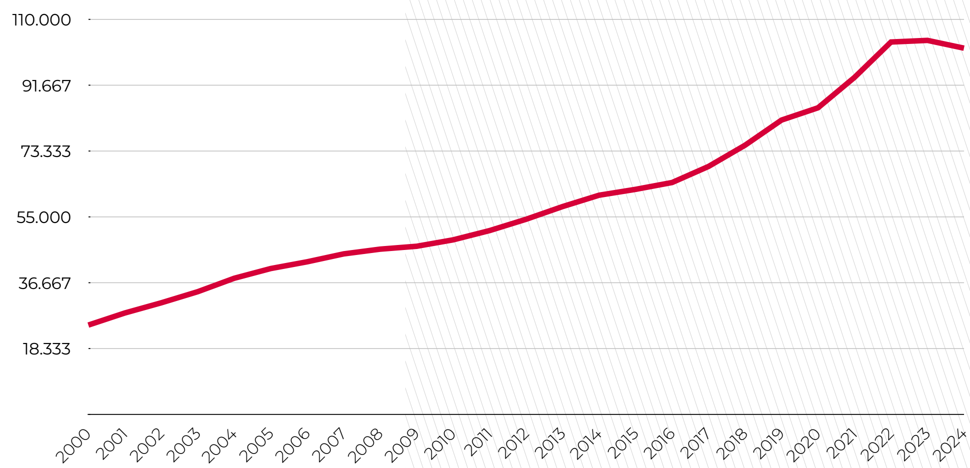
Country Name		Exports (USD billion)	Share (%)
	Germany	20.4	7.8
	USA	16.4	6.2
	United Kingdom	15.3	5.8
	Iraq	13.0	5.0
	Italy	13.0	4.9

Source: TUIK

Outlook for 2025 and Beyond

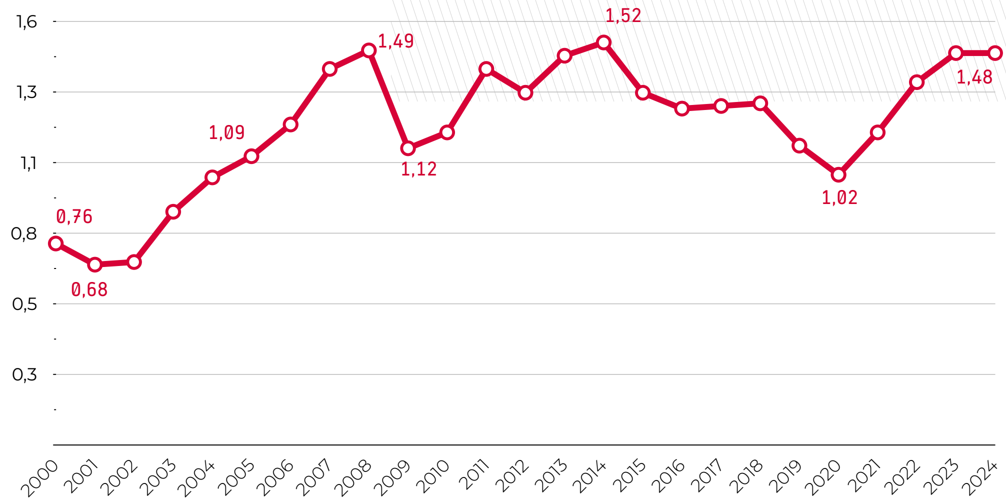
It is anticipated that the global/local economic and geopolitical agenda items to be inherited from 2024 will continue to maintain their weight on the agenda, taking shape in light of developments specific to 2025. From Türkiye's perspective; it is anticipated that conventional economic policies, primarily price stability, will continue in order to ensure macro-financial stability, and the steps taken towards the green and digital transformation, referred to as the twin transformations, will continue with the same determination and increasing momentum. While the gradual entry into force of the obligations within the scope of the border carbon adjustment mechanism in 2026 makes 2025 important in terms of the transition period, this situation reveals the need for countries exporting to Europe and companies in these countries to strategically address the preparation process. Not only decarbonization-focus, but also digital transformation with the acceleration in technology will be among the issues that will come to the forefront for companies in 2025.

NUMBER OF EXPORTING COMPANIES



Source: TİM

UNIT VALUE (USD / KG)



Source: TİM

Activities

The founding mission of İGE is to provide the collateral that exporters need in the process of accessing financing, and it has continued to make uninterrupted contributions to the country's economy with its activities aimed at increasing exports in 2024. The company will continue its operations at the same pace in 2025 to ensure that more resources are transferred to this area and to support the sustainability of exports.

With the aim of creating more resources...

When economic growth data and export financing figures are examined, it is clearly seen that exports are needed for growth and that companies need financing to be able to export. The most important priority in the activities of İGE is to increase Türkiye's export power by assuming an important role in supporting exports and exporters, which are the main actors of production, employment and development, and to ensure that more resources are transferred to this area.

Serves all sectors

İGE provides credit guarantees to exporters operating in all sectors exporting goods and services. Throughout 2024, İGE frequently met with representatives from different sectors to make evaluations and develop its products and services within the scope of the specified needs.

In this context; manufacturing companies that are exporters or have export potential or produce goods for export and export their goods through exporters, as well as SMEs and non-SMEs operating in foreign exchange earning sectors will be eligible to benefit.

Sectoral breakdown of İGE Guarantees

	Industry	Ratio (%)
1.	Chemicals and Chemical Products	14.21%
2.	Manufacturer Exporter	8.37%
3.	Ready-made Clothing and Apparel	7.78%
4.	Machinery and Parts	7.25%
5.	Ferrous and Non-Ferrous Metals	7.24%
6.	Textile and Raw Materials	7.14%
7.	Electricity and Electronics	6.17%
8.	Steel	5.60%
9.	Cereals, Pulses, Oil Seeds	5.50%
10.	Furniture, Paper and Forestry Products	4.91%
11.	Automotive Industry	4.84%
12.	Air Conditioning Industry	3.12%
13.	Cement Glass Ceramics and Soil Products	2.37%
14.	Mining Products	2.19%
15.	Service	2.19%
16.	Aquatic and Animal Products	2.10%
17.	Fruit and Vegetable Products	1.70%
18.	Fresh Fruit and Vegetable	1.25%
19.	Carpet	1.10%
20.	Dried Fruit and Products	1.09%
21.	Leather and Leather Products	1.05%
22.	Hazelnut and Hazelnut Products	0.79%
23.	Jewelry	0.56%
24.	Defense and Aerospace Industry	0.54%
25.	Olive and Olive Oil	0.42%
26.	Ornamental Plants and Products	0.21%
27.	Other Industrial Products	0.18%
28.	Ship, Yacht and Marine Services	0.10%
29.	Tobacco	0.01%

Products and Services

The guarantee packages provided by İGE are generally designed to support the financing of exporters' working capital and investment expenditures in the form of cash loans. These support packages are provided either with İGE equity or the resources of the Ministry of Treasury and Finance of the Republic of Türkiye.

İGE Equity Guarantee Packages

İGE equity packages are packages offered to exporters with İGE's own equity. İGE, which has a strong partnership and capital structure, can generate approximately 20 TL of credit volume with 1 TL of resources in guarantees provided from its own resources. Guarantee support is provided for exporters' TL and FX-denominated cash loans from equity.

TL Guarantee Packages

Established in October 2021, İGE made its first collateral production from its own resources in March 2022. As of December 31, 2024, 17,336 applications were received from TL packages that meet the short and medium-term financing needs of exporters, and guarantees were provided for TRY 68.9 billion worth of loans. TRY support packages are designed to meet the working capital needs of exporters. In addition, İGE also provides guarantee support on different topics and themes with the Green Transformation, Supporting Women in Exports and Defense Industry Supplier Support packages made exclusively through certain banks that are partners of İGE.

FX-denominated Guarantee Packages

İGE frequently meets with exporters to get their views and makes the necessary updates to the equity packages in this context. Foreign currency guarantee support was among the top priorities in export financing for a while and was implemented in December 2024. The intensive applications received in a short period of two weeks are a clear indication of the needs of exporters in this area. İGE equity will be used in the most efficient way in the following periods and with the same perspective to support exporters.

Treasury Guarantee Packages

These are packages offered to exporters with the support of the Ministry of Treasury and Finance of the Republic of Türkiye.

These are packages offered to exporters with the support of the Ministry of Treasury and Finance of the Republic of Türkiye in order to meet the long-term financing needs of exporters up to 24 months. The first limit was granted in May 2023 and as of December 31, 2024, 4,190 applications were received and TRY 23.6 billion worth of credit was provided as guarantee support. In addition, our negotiations with the Ministry of Treasury and Finance of the Republic of Türkiye are continuing in order to provide longer-term and higher amounts of guarantee to our exporters.

Exemptions Granted to İGE

Some exemptions were granted to İGE by the Central Bank of the Republic of Türkiye in 2024, bringing convenience to both exporters and banks:

• The loans provided with İGE guarantees have been exempted from the compulsory exporter score calculation for rediscounted credits. With this exemption, the operational burden of our banks has been reduced and exporters have been able to access financing more quickly.
• Foreign currency loans provided with İGE guarantee are not included in the growth limit calculations to which banks are subject within the scope of the Communiqué on Required Reserves. In this way, exporters have been provided with the opportunity to access more foreign currency loans.
• Foreign currency rediscount credit, which has not been used for a long time, can now be offered to exporters through Eximbank with İGE guarantee.

İGE Value Added Score

İGE has developed the İGE Value Added Score in order to prioritize access to financing for businesses exporting value-added products. The most important contribution of the İGE Value Added Score is that it will provide SMEs with high value-added export performance/potential access to this financing opportunity thanks to the İGE guarantees.
For non-SME companies, it is also aimed at determining performance criteria and ensuring that companies that can achieve performance targets such as an export performance compatible with the export growth target in the Medium Term Plan benefit more from İGE guarantees. With the model developed within the scope of the İGE Value Added Score project, more refined decisions are expected to be made regarding the areas where Türkiye's resources to be allocated to export will be directed, while it is planned to increase the share of financing received by companies that produce and export in line with the country's foreign trade strategies.
In order to put the model into use, works have been completed with both Eximbank and Türk Ticaret Bankası to provide guarantee support for a total of TRY 6.3 billion in loans.

İGE Guarantee Portal

The main purpose of the İGE Guarantee Portal is to ensure that exporters have access to financing quickly and under suitable conditions. The portal aims to provide exporters with access to the most suitable financing by carrying out the process in a natural way within the supply-demand balance. The new generation guarantee application, İGE Guarantee Portal, which brings exporters and banks together at a single point, provides access to financing under suitable conditions especially for exporting SMEs and enables banks to reach all exporters from a single point.

Exporters are responded to within seconds via the portal where they submit their guarantee requests for the credit they will use. As a result of the evaluation, a rating score is created for exporters and the requests of exporters whose scores are above the acceptance limit are forwarded to banks through integrations with banks. At the end of the 7-day tender period, credit conditions (interest, term, commission, etc.) for exporters are automatically improved in line with the offers submitted by banks. Exporters use the İGE-guaranteed credit by advancing the credit process with the bank that offers them the most suitable offer. Thanks to this decision mechanism and tender process, exporters reach the most suitable financing condition by being able to make quick decisions, having standardized processes and having a transparent evaluation flow. At the same time, in order to ensure that exporters get a greater share from this process, 50% of the commission received during the use of guarantee is returned to exporters. Thanks to the portal, exporters can apply for guarantee directly through İGE without going to the bank and quickly accessing the most suitable financing conditions by using the conveniences provided by the digital infrastructure. 2,050 exporters became members of the İGE Guarantee Portal and guarantee support was provided for TRY 16.6 billion of loans.

İGE Defense Industry Supplier Support Package

Supporting the Turkish Defense Industry, which is appreciated worldwide with the projects developed and produces significant added value in exports, is very important for İGE. This support package aims to remove the collateral barrier to the defense industry's access to financing and to ensure that companies operating in this field can access sustainable financing support for production, employment and exports.

The "İGE Defense Industry Supplier Support Package", designed to support SME and non-SME exporters, was made available to companies through Halkbank, Vakıfbank and Ziraat Bank on December 19, 2024.

With this package, access to financing for local companies that are suppliers of the defense industry has been facilitated and contributions have been made to the export performance of these companies. With the İGE Defense Industry Supplier Support Package, 10 applications were received in a short period of two weeks and guarantee support was provided for a loan of TRY 54 million.

Pre-financing System

A protocol was signed between the Ministry of Trade, Eximbank and İGE for the purpose of implementing the pre-financing system in 2022. With the implementation of the pre-financing system, exporters who have been given pre-approval/approval within the scope of the programs included in the pre-financing system by the Ministry of Trade apply for a loan from Eximbank and exporters whose loans are approved make their expenditures within the scope of the provided support. They then submit their invoices to the Ministry of Trade and close the loan they have used with the grants. İGE provides guarantee for exporters who apply for a loan from Eximbank within the scope of this program.

In 2024, 27 applications were received within the scope of the Pre-financing System and guarantee support was provided for TRY 231.3 million of loans.

Türk Ticaret Bankası

İGE became the main shareholder of Türk Ticaret Bankası in 2023. The bank, which started its restructuring activities in 2024, directs its activities with the vision of "being the main bank of exporters by providing financial contribution to Türkiye's export-oriented growth". In order to offer all banking products and services needed by exporters in the fastest, safest and most suitable conditions with innovative financial solutions, preparations for new and innovative products specific to exporters were made throughout the year. In this context; the necessary infrastructure works and organizational processes have been completed to a great extent, and mobile banking and internet banking have been made ready for use. The restructuring activities have increased the bank's equity capital from TRY 109 million to TRY 3.2 billion as of December 31, 2024, and the number of employees to 222.

TÜRK TİCARET BANKASI

Within the conditions of all guarantee support packages offered by İGE, companies are expected to export and therefore fulfill their commitments and/or obligations arising from the exports.

İGE Equity Guarantee Support Package 2

• Entered into force in November 2022.
• The first collateral production from this package was on November 10, 2022.
• It can be offered to exporters by 20 banks that are partners of İGE, other than Eximbank.
• Companies with SME status can benefit.
• The upper credit limit is TRY 25 billion.
• Guarantee is provided for cash loan products with 12-month maturity.
• The upper loan limit per beneficiary is TRY 30 million.
• The commission rate is 1.25%.
• The application fee is TRY 2,000.
• Companies are expected to fulfill their export commitments.

Beneficiary:	SME
Application Deadline:	30.06.2025
Guarantee Rate:	80%
Upper Limit of Guarantee:	TRY 20,011,255,458
Credit Upper Limit:	TRY 25,014,069,323
Application Fee (İGE):	TRY 2,000
Guarantee Commission (İGE):	1.25%
Restructuring Commission (İGE):	2%
Product Maturity Maximum:	12 Months
Application Credit Type:	Cash/TRY

İGE Foreign Currency Guarantee Support Package

• Entered into force on December 13, 2024.
• It is offered to exporters through banks.
• Companies with SME and non-SME status can benefit.
• It is used in USD and EUR currencies.
• The upper credit limit is TRY 12.5 billion.
• Guarantee is provided for financing of operating expenses with a maturity of 12 months.
• The upper loan limit per beneficiary is TRY 30 million for SMEs and TRY 50 million for non-SME companies.
• The commission rate is 1.25%.
• The application fee is TRY 2,000.

İGE Eximbank Foreign Currency Guarantee Support Package

• Entered into force on 22.11.2024.
• Companies with SME and non-SME status can benefit.
• It is used in USD and EUR currencies.
• The upper credit limit is TRY 35 billion.
• Guarantee is provided for financing of operating expenses with a maturity of 12 months.
• The upper loan limit per beneficiary is TRY 50 million for SMEs and TRY 100 million for non-SME companies.
• The commission rate is 0.50% for rediscount credits and 0.75% for cash credits other than rediscount credits.
• The application fee is TRY 4,000.

İGE Türk Ticaret Bankası Foreign Currency Guarantee Support Package

• Entered into force on November 22, 2024.
• Companies with SME and non-SME status can benefit.
• It is used in USD and EUR currencies.
• The upper credit limit is TRY 1.1 billion.
• Guarantee is provided for financing of operating expenses with a maturity of 12 months.
• The upper loan limit per beneficiary is TRY 50 million for SMEs and TRY 100 million for non-SME companies.
• The commission rate is 1%.
• The application fee is TRY 4,000.

İGE 100th Year Treasury Support Package

Treasury-supported collateral production is provided within the scope of the protocol made with the Ministry of Treasury and Finance of the Republic of Türkiye.
• It can be offered to exporters by Eximbank and 20 banks that are partners of the Institution.
• SMEs and non-SMEs can benefit, provided that at least 70% of the disbursements are made to SMEs.
• The upper credit limit is TRY 26 billion.
• Guarantee is provided for cash loan products with 24-month maturity.
• The upper loan limit per beneficiary is TRY 35 million for SMEs and TRY 70 million for non-SME companies.
• The commission rate is 0.5%.
• Companies are expected to fulfill their export commitments.

Beneficiary:	SME and Non-SME
Application Period:	Until 30.06.2024
Upper Limit of Guarantee:	TRY 25 billion
Credit Upper Limit:	TRY 26 billion
Guarantee Commission (İGE):	0.5%
Restructuring Commission (İGE):	0.5%
Product Maturity Maximum:	24 Months
Application Credit Type:	Cash/TRY

Compass Guarantee Support Package

• Entered into force on November 15, 2024.
• Offered to exporters through Eximbank.
• Companies with SME and non-SME status can benefit.
• The upper credit limit is TRY 3.3 billion.
• Guarantee is provided for financing of operating expenses with a maturity of 24 months.
• The upper loan limit per beneficiary is TRY 50 million for SMEs and TRY 100 million for non-SME companies.
• The commission rate is 1% for up to 12 months and 2% for up to 24 months.
• The application fee is TRY 2,000.

[61.2]

Total guarantee provided by İGE equity (TRY Billion)

Rising Export Guarantee Support Package

• Entered into force on October 17, 2024.
• Offered to exporters through Türk Ticaret Bankası.
• Companies with SME and non-SME status can benefit.
• The upper credit limit is TRY 5.6 billion.
• Guarantee is provided for financing of operating expenses with a maturity of 24 months.
• The upper loan limit per beneficiary is TRY 50 million for SMEs and TRY 100 million for non-SME companies.
• The commission rate is 1% for up to 12 months and 2% for up to 24 months.
• The application fee is TRY 2,000.

High Value Added Export Support Package

It was put into effect by Eximbank on November 15, 2024 and by Türk Ticaret Bankası on December 9, 2024, and its features are as follows:
• It is offered to exporters through Eximbank and Türk Ticaret Bankası.
• SME and non-SME companies that export high value added in line with the country's export strategy can benefit from this programme.
• The upper credit limit is TRY 5.2 billion.
• Guarantee is provided for financing operating expenses with a maturity of 24 months.
• The upper loan limit per beneficiary is TRY 50 million for SMEs and TRY 100 million for non-SME companies.
• The commission rate is 1% for up to 12 months and 2% for up to 24 months.
• The application fee is TRY 2,000.

The Green Transformation Guarantee Support Package offered by İGE was developed to finance the sustainability activities of exporting institutions.

İGE Defense Industry Supplier Support Package

• Entered into force on December 19, 2024.
• It is offered to exporters through Halkbank, Vakıfbank and Ziraat Bankası.
• Companies with SME and non-SME status, determined by the Directorate of Defense Industries, operating in the defense industry can benefit from this program.
• The upper credit limit is TRY 12.5 billion.
• Guarantee is given for 24 months.
• The upper loan limit per beneficiary is TRY 12.5 million.
• The commission rate is 0.75% for up to 12 months and 1.5% for up to 24 months.
• The application fee is TRY 5,000 for loans up to TRY 3 million and TRY 10,000 for loans of 3 million and above.

İGE Green Transformation Guarantee Support Package

It entered into force on October 4, 2023 by Akbank and on October 31, 2023 by Yapı Kredi and its features are as follows:
• It is offered to exporters through Akbank and Yapı Kredi.
• Companies with SME status can benefit.
• The total credit upper limit is TRY 1.7 billion.
• Guarantee is provided for investments that provide energy and resource efficiency with a maturity of 36 months.
• The upper loan limit per beneficiary is TRY 18.7 million.
• The commission rate is 1.25%, 2% and 2.5% for maturities of 12, 24 and 36 months, respectively.
• The application fee is TRY 2,000.

İGE Women in Exports Support Package

Guarantee support packages made exclusively with İGE partner banks and their features are as follows:
• It is offered to exporters through Yapı Kredi, Şekerbank, İşbank, Akbank, TEB, Odeabank, Halkbank and Garanti BBVA.
• Companies with SME status can benefit.
• The total credit upper limit is TRY 2.8 billion.
• Guarantee is provided for financing of operating expenses with a maturity of 24 months.
• The average loan upper limit per beneficiary is TRY 7 million.
• The commission rate is 1%.
• The application fee is TRY 2,000.

2024 Operating Results

İGE All Packages Total	Piece	Guarantee Amount (TRY)	Loan Amount (TRY)
Application	21,661	TRY 96.8 billion	TRY 111.9 billion
Approval	17,745	TRY 81.4 billion	TRY 93.3 billion
Utilization	16,132	TRY 72.5 billion	TRY 83.1 billion

İGE Equity TRY Guarantee Support Packages	Piece	Guarantee Amount (TRY)	Loan Amount (TRY)
Application	17,336	TRY 72.1 billion	TRY 82.9 billion
Approval	14,069	TRY 60.6 billion	TRY 68.9 billion
Utilization	12,815	TRY 53.9 billion	TRY 61.4 billion

İGE Equity Foreign Currency Guarantee Support Packages	Piece	Guarantee Amount (TRY)	Loan Amount (TRY)
Application	135	TRY 982.6 million	TRY 1.2 billion
Approval	85	TRY 611.5 million	TRY 764.4 million
Utilization	48	TRY 295.8 million	TRY 369.7 million

İGE 100th Year Treasury Support Package		Guarantee Amount (TRY)	Loan Amount (TRY)
Application	4,190	TRY 23.7 billion	TRY 27.7 billion
Approval	3,591	TRY 20.2 billion	TRY 23.6 billion
Utilization	3,269	TRY 18.2 billion	TRY 21.3 billion

Collaborations and New Agreements

İGE continues its efforts with determination to increase our country's exports on the one hand, and to increase its contribution to the financing of exports by introducing new products and services required by the economic conjuncture on the other hand.

EBRD&İGE Collaboration

A memorandum of understanding (MoU) was signed with the European Bank for Reconstruction and Development (EBRD) on December 16, 2024. In this way, a new era has begun for both institutions, aiming to contribute more to the financing of exports. This strategic cooperation aims to increase Turkish exporters' access to financial resources and to ensure that exporters achieve a stronger position.

With this partnership between the two institutions, İGE's mission to support exporters has been strengthened. Within this framework, it is planned to offer EBRD's financial opportunities to Turkish companies.

İGE in the Medium Term Program (MTP)

With the Medium Term Program (MTP 2025-2027) published in the Official Gazette dated September 5, 2024 and numbered 32653, priority is given to ensuring that exporters have access to financing under appropriate conditions in order to increase their competitiveness and resilience in export financing. The development of financing opportunities in exports, especially with a focus on green transformation and digital transformation, will ensure that support mechanisms for exports are used effectively. This will contribute to the increase of sustainable and high value-added export potential. The inclusion of İGE in the MTP regarding the reduction of the collateral burden for exporters once again confirms the importance of the role the Company plays in Türkiye's economic development strategy

Exemptions and Advantages Provided for Loans Provided with İGE Guarantee

In 2024, the Central Bank of the Republic of Türkiye made In 2024, the Central Bank of the Republic of Türkiye made significant changes to the mandatory reserve requirement legislation regarding both rediscount credits and foreign currency cash credits. These changes, which will significantly support export financing, facilitate exporters' access to financing by increasing the effectiveness of loans to be used with İGE guarantee in particular.

Firstly, on October 8, 2024, the "Implementation Instructions for Rediscount Credit for Export and Foreign Exchange Earning Services" were amended to support export financing. Within this scope, rediscount credits to be used with İGE Guarantee were also exempted from the criteria in the implementation instruction. The opportunity to use rediscount credits without requiring a net exporter criterion is granted, provided that İGE guarantee is provided until January 13, 2025. In addition, with the updated implementation instruction, banks were required to calculate the "exporter score", which will be implemented after January 13, 2025. In the event that İGE guarantee is available, banks were granted the opportunity to use credits without calculating the score. With this regulation, İGE plays a facilitating and accelerating role in exporters' access to financing processes and banks' credit evaluation processes.

Another important change was made in the "Required Reserves Implementation Directive" on December 6, 2024. Following the regulation, foreign currency cash loans provided with İGE guarantee were exempted from the 1.5% monthly growth limit applied to cash loans provided by banks in foreign currency. With the advantage brought by this exemption, it is expected that banks will provide foreign currency loans to more exporters with İGE guarantee.

Another change that will closely affect exporters was made in the "Export and Foreign Exchange Earning Services Rediscount Credit Implementation Instruction" on 13.12.2024. With the update, exporters will now be able to use foreign currency rediscount credit with İGE guarantee. Product studies for İGE-guaranteed foreign currency rediscount credit to be used through Eximbank have been completed and it is aimed to be implemented following the signature processes.

Events & Communication Activities

The success of every product or system developed to facilitate exporters' access to financing is directly related to the success of İGE's relationship and communication with banks and exporters. İGE, which continues to work on new support packages, products and systems in line with its founding purpose, strengthens its communication with its stakeholders by organizing various meetings with regular intervals.

Export Financing Meetings 2023-2024

İGE attaches importance to increasing the dialog between exporters and creditors, which are of critical importance for Türkiye's exports, and to producing concrete solutions together for export financing. Since its establishment, the company has been supporting exporters with guarantee packages and acting as a bridge for access to financing, bringing exporters and banks together at regular intervals. In this context, the "Export Financing Meetings" event is being held under the coordination of İGE and with the support of Eximbank; sponsored by Akbank, Garanti BBVA, İşbank, Odeabank and Yapı Kredi. Thanks to the events organized in İzmir, Bursa, Adana, İstanbul and Denizli, nearly 1,500 companies from five provinces and their surroundings have been reached. It is planned to hold the event in various provinces throughout 2025 with the support of Türk Ticaret Bankası and Eximbank and the participation of sponsor banks.

Türkiye Innovation Week 2024

The event, which was organized for the 11th time at the Haliç Congress Center on October 10-12, 2024 with the motto "Out of the Box: Human, Culture, Model" with the organization of the Turkish Exporters Assembly (TİM), of which İGE is among the strategic partners, is known as the most comprehensive innovation organization of Türkiye and the region. In the thank you to strategic partners section of the event, İGE General Manager Fatih Tuğrul Topaç received his plaque from Vice President Cevdet Yılmaz.

İGE also took part in the MasterClass session titled "Innovative Solutions in Export Financing" at Türkiye Innovation Week. During the session, companies and stakeholder banks came together, collateral problems encountered in accessing financing were discussed and the services provided by İGE were conveyed. An efficient and interactive event was held by receiving the needs and suggestions of the companies.

The stand of İGE, which was attended by other strategic

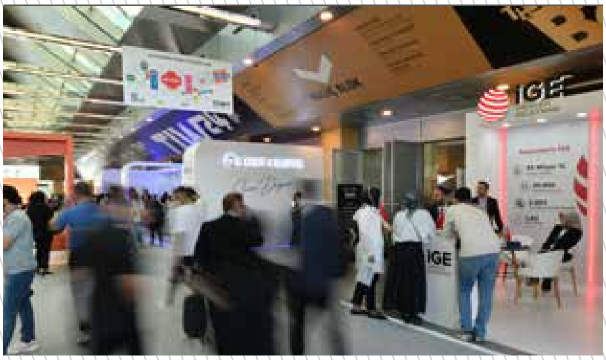
partners at Türkiye Innovation Week 2024, attracted great attention. Applications were received instantly from the İGE Guarantee Portal at the stand and exporters' questions about İGE were answered.

Stakeholder Meetings

İGE attaches importance to strengthening communication between stakeholders. In this context, meetings are organized at regular intervals to share with banks every product or system developed to facilitate exporters' access to financing and to receive opinions and suggestions. The data obtained from these meetings supports the promotion of products and services and guides the development of new projects and ideas.

While designing its products, İGE listens to the needs of exporters in the field and makes improvements. In order to produce solutions to the challenges faced by exporters in reaching the collateral they need in both corporate promotion and access to financing processes, many trainings, seminars, fairs, TV broadcasts and meetings are attended by exporters. Throughout the year, the Company has been featured in TIMREport and Hedef magazines with news from İGE and content promoting its products.


EKOTÜRK
İGE'yi en yalın haliyle nasıl tanımlarsınız?


İGE


TİM


İGE İHRACAT DESTEKLERİ TANITIMI

İGE 2025 Agenda

İGE determines its targets for various business processes, from institutionalization to digitalization, from new support packages to human resources practices, and designs its 2025 work plans in line with these targets.

Audit

The aim is to digitalize audit processes in 2025. In this context, the first steps are planned to be taken to select an audit software suitable for the needs and to create its infrastructure.

Legal Processes

It is planned to work on increased digitalization in processes.

The aim is to comply with the changes in the legislation.

Finance, Business Development and Human Resources

It is aimed to strengthen relations with national and international financial institutions, especially the European Bank for Reconstruction and Development (EBRD), and to develop joint programs.

Digitalization of Human Resources management systems is planned.

The aim is to digitize the document management system.

Risk Management and Monitoring

The development of the system infrastructure used in monitoring and tracking activities has been prioritized. In line with this goal, it is planned to ensure that processes are carried out and managed at higher standards.

Analytical Model

It is aimed to develop a new model to evaluate the guarantee amount requested by companies applying for guarantee to İGE and to use it in the application evaluation processes.

It is planned to calculate the Credit Loss Provision amount expected at the end of 2024 and to update the Probability of Default parameter, which should be updated annually within this scope.

Internal Control and Compliance

It is aimed to create and implement an instant control process.

Investments

İGE strengthened the development of its digital infrastructure with an investment volume of TRY 24.2 million in 2024.

In 2024, İGE successfully implemented 112 software projects with a total investment volume of TRY 24.2 million. The investments completed during the year include various works of strategic importance in a number of areas of guarantee evaluation processes.

Integration with the Ministry of Trade of the Republic of Türkiye

In 2024, integration investments were completed with the Ministry of Trade of the Republic of Türkiye to share data and make business processes more efficient.

System infrastructure for FX-loan guarantees

Another digital investment included in the 2024 targets was made in the field of foreign currency guarantee underwriting. In this way, the system infrastructure that will enable foreign currency guarantee has been established. System developments that aim to facilitate access to foreign currency loans are of great importance for exporters. While making these developments, the specific demands of financial institutions and beneficiaries, as well as the investment amounts, were taken into account.

Efforts to increase processing power

By improving the query structures in the systems, infrastructure developments have been made to enable faster and more effective processing.

Process optimization and improvement of information technology infrastructure

Efforts have been carried out to improve information technology infrastructures and optimize integration processes with other existing systems. These developments aim to increase the effectiveness of systems for guarantee assessment processes.

These investments make significant contributions to strengthening the digital infrastructure of İGE, increasing operational efficiency, making guarantee assessment processes more effective and meeting the collateral requirements of exporters. In addition, important steps have been taken to carry out operational processes at lower costs.

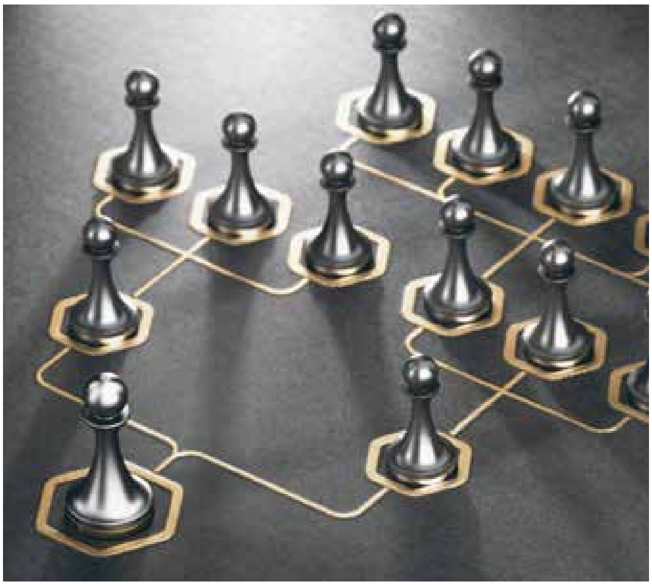
Human Resources

By embracing justice, transparency, equality and impartiality in all Human Resources processes, İGE supports the personal development of all its employees and the strengthening of their professional competence and skills.

Human Resources Policy

The main purpose of the İGE Human Resources Policy is to encourage people to continuously learn and develop. Contributing to progress within an effective performance culture, İGE exhibits a human-focused and selective Human Resources approach. İGE has competent and professional human resources that constantly improves in terms of skills and competencies and updates based on the changing conditions of the day.
Adopting the principle of being equal, fair, transparent and impartial in the recruitment and career planning processes, İGE evaluates all candidates and employees equally, regardless of race, religion, language and gender.

İGE aims to be among the "Best Places to Work."



İGE, which takes carrying out activities that increase employee satisfaction and motivation as a part of its job, follows current practices and developments in line with its goal of being among the "Best Places to Work". The institution regularly reviews and updates its Human Resources practices in light of innovations aimed at further improving working conditions and modern practices that support employee development.

At İGE, candidates are informed about the results of all interviews they have conducted during the recruitment process. Similarly, efforts are made to ensure that healthy communication is carried out in all processes during the termination phase.

"Process evaluation" interviews are conducted with employees who have just started after the first two months of employment. This is an attempt to obtain an idea about the extent to which employees' expectations have been met and the areas that need to be improved.

Performance Management System

İGE has further developed the 'Performance Management System', which it launched in 2023 to relate employee success to corporate success, in 2024.

The Performance Management System was implemented in 2023 as one of the first efforts for institutionalization and continued to be used to provide maximum benefit with the necessary updates and developments in 2024. The purpose of the Performance Management System is to coordinate individual success with institutional success.

"The goal is to reach corporate success through individual achievements"

The Performance Management System, which was implemented with the aim of integrating individual success and performance into institutional success and performance at İGE, encourages high performance end to end. In this way, it is aimed to achieve holistic success by determining the development areas of the institution and employees and carrying out the necessary works.

The healthy management of the performance management process depends on the contributions of all stakeholders, including managers, employees and human resources. Considering this situation, workshops were organized in which all employees participated while designing the system. The performance management system principles determined as a result of these workshops are as follows:
- Fair - Objective evaluation processes
- Transparent - Process steps shared with all employees
- Rewarding - Bonus, promotions based on performance
- Measurable - SMART goals

The steps of the Corporate & Individual Performance Management System process are as follows:

• Determining corporate and individual SMART goals
• Competency assessments
• Target reviews
• Feedback interviews
• End-of-year performance reviews

İGE knows that giving and receiving feedback is very important for the institution and employees and works to make provision of feedback a culture. In this direction, in the first year of the system, before the year-end performance evaluations, all employees, starting from the top management, were provided with training on "Receiving and giving feedback". The positive results of these trainings were used in 2024 and the system contributed more than the target.

At İGE, all employees are sent informative e-mails at regular intervals about the importance and necessity of feedback. In this way, feedback is encouraged to be received at all times, not just during performance periods.

Carrying out its human resources practices with transparency, İGE also displays its fair approach in performance evaluation in promotion processes and attaches importance to merit.

"360° Performance Evaluation System"

İGE added the "360° Performance Evaluation System" to its Performance Management System in 2024 and started using it. This addition aims to support the development of employees by receiving objective and comprehensive feedback and to strengthen internal communication. In this way, it is expected that individual motivation and productivity as well as corporate success will increase. There are four evaluation steps in the 360° Performance Evaluation System:

• Manager's evaluation
• Subordinate evaluation
• Colleague evaluation
• Self-assessment

Evaluation results are reported to employees and a development plan is created.

Career Management

The career management system is very important in terms of employee loyalty, development and motivation. With this awareness, İGE has designed the "Promotion process" in the career management system and shared it with all its employees. Thanks to this application that combines merit with transparency, employees can plan their career goals accurately.
Thanks to the career management system, İGE aims to make its corporate achievements sustainable by further increasing motivation and employee loyalty.

Shadow Management Team

As of 2024, İGE has established the Shadow Management Team to support the institutionalization process. This team includes employees of all ages and levels with various experiences. In this way, the participation of employees in managerial decision-making processes has been increased. This system allows employees to develop their management skills and their ability to participate in decision-making processes on the works carried out, decisions taken and areas that need to be improved in parallel with the vision and mission of İGE.

The Shadow Management Team aims to be in synergy with the senior management and to provide the ability to think like a manager. Participants have the opportunity to question all aspects of the decisions taken, interpret the information they obtain and analyze them through a critical lens, while also finding the opportunity to put forward diverse ideas. The main purpose of the shadow management application is to ensure that employees actively participate in decision-making processes and are informed about these processes.

Training

In order to support the professional competencies and personal development of employees, İGE has made continuous learning an institutional goal and has created an inclusive and egalitarian education culture in this direction.

Aiming to improve the development of its employees and support their competence and skills, İGE provided a total of 868 hours of training in 2024. The average training received per person was 27 hours.

Orientation Program

An orientation program has been implemented to help new employees get to know İGE and facilitate their adaptation process. The orientation program provides detailed information about the organization and its operations as well as plans and follows up on mandatory training. This effort aims to make employees feel like they are a part of İGE from their first day at work.

Trainings on Legal Obligations

In order to fulfill its legal obligations and ensure the development of its employees, İGE offers Occupational Health and Safety Training, ISO 27001 Training, ISO/IEC 27001:2022 Information Security Management System Auditor/Lead Auditor Training, First Aid on a voluntary basis and many other trainings to its employees.

Development Oriented Trainings

With the extensive training catalogs of the Turkish Banks Association Training Center, employees are provided with the opportunity to receive online/face-to-face training in a number of areas such as economics, finance, law, sales, accounting, information technologies, etc.

Taking into account the training demands from employees, the most comprehensive and content-appropriate trainings are selected and offered to employees.

The training is provided to make feedbacks a part of the corporate culture and its implementation is ensured in all processes.

Occupational Health and Safety

Within the scope of Occupational Health and Safety, İGE prioritizes life safety by observing all legal requirements, especially the Occupational Health and Safety Law No. 6331.

İGE has undertaken the responsibility of creating an occupational safety culture within the organization, creating a safe and healthy working environment and achieving the goal of zero work accidents. The Company sees the safety and health of its employees as an indispensable part of its business and thanks to its ongoing OHS efforts, no work accidents have occurred to date.

İGE implements all OHS processes under the supervision of the Occupational Safety Specialist. İGE reinforces the occupational health and safety awareness of employees by providing face-to-face OHS trainings at regular intervals and carries out periodic examinations of employees by the workplace physician starting with employment. In this way, it is aimed to prevent “near-miss” situations, work accidents and occupational diseases.

Preparedness for disasters and emergencies

The emergency team, which is formed with the principle of proactive awareness and receives special training, is always prepared and equipped for possible emergencies. Thanks to the drills carried out every year, a behavioral norm for disaster and emergency situations is established at İGE.

Risk rating

Preliminary hazard analyses are carried out in all environments against the negative effects of factors that threaten occupational safety and human health, the identified risks are graded and control measures are decided. As a result of hazard and risk analyses, Risk Assessment and Emergency Plans are created.

Regular field inspections

In order to provide a safe, healthy and sustainable work environment, field inspections are carried out regularly by OHS experts. OHS works, periodic checks and trainings to be carried out during the year are determined as of January each year and the evaluation of the previous year is carried out.

In addition to these, İGE provides all necessary training in cooperation with the Human Resources department in order to fulfill both its legal obligations and to ensure the development of employees in terms of occupational health and safety.

Statistical Data

Employee Breakdown by Gender

Gender	Number	Ratio
Male	19	54%
Female	16	46%
Total	**35**	

Graduation Status of Employees

Graduation	Number	Ratio
Graduate	22	71%
Post-Graduate	8	26%
Associate Degree	1	3%
Total	**31**	

Average Age of Employees

Employee	Average Age
35	36,93

Average Experience of Employees

Employee	Average Years of Experience
35	12,59

Training Hours Per Employee

Average Training Hours per Person
27

Sustainability

İGE works to facilitate and diversify access to financing for green transformation and to support the sustainable increase of exports.

İGE diversifies the determined steps taken to facilitate exporters' access to finance under the headings of green transformation and female entrepreneurs.

Sustainability Approach

İGE considers providing benefits to exports and the economy as a responsibility towards the business world, society and the environment at national and global levels, in line with the United Nations Sustainable Development Goals. Since its establishment, the guarantees provided by İGE to exporters have also affected the environmental sustainability of beneficiary institutions. In this context, İGE prioritizes supporting access to financing for green transformation and increasing energy efficiency. In order for institutions to benefit from packages within this scope, İGE regulates the credit conditions and reporting obligations of the relevant banks, again in line with the environment and sustainability efforts. .

The climate issue: Current status and forecasts

In the process that began with the Paris Climate Agreement with the aim of keeping the global temperature increase around 1.5 degrees and continued with the Green Deal, the European Union (EU) plans to significantly reduce greenhouse gas emissions.

In 2022, Türkiye exported 41.3% of its products to the European Union. Based on this information, it is anticipated that exporters face various risks in terms of greenhouse gas emissions.

It is estimated that the "Border Carbon Adjustment Mechanism" (BCDM), planned to be implemented by the EU in 2026, will affect the Turkish economy as a solid current development.

According to the studies within the scope of the "Fit For 55" package, the EU estimates that an annual investment of 270 billion Euros will be required in order to achieve the 2030 climate targets, including transportation, energy and resource management.

EU companies that import products from companies that emit carbon above the levels determined by the BCDM will have to pay a carbon tax, which will increase costs. Therefore, it is estimated that the purchase of goods from companies with low compliance with this mechanism will decrease or come to a standstill. Considering the emission reduction commitments and the European Union Green Deal, green transformation investments should be made without delay in terms of sustainability of exports.

Financial support

Export companies, which contribute greatly to growth and employment as the driving force of the Turkish economy, need financing for these investments that are of critical importance. İGE works intensively to meet these financing needs. Collaborations are being made with banks within the scope of these efforts. The "Green Transformation Guarantee Support Package" aimed at meeting the financing needs of exporters regarding green transformation and the "Women in Export Support Package" aimed at women exporters who add value to the economy and the future with their efforts are parts of these collaborations. Details of these studies are provided under the "Products" heading of the activity report.

Corporate environmental policy

In terms of environmental sustainability, İGE recognizes that its impact is generated through the guarantees it provides and prioritizes supporting access to financing within the scope of green transformation and energy efficiency. In this context, it regulates the terms of use and reporting obligations of the relevant banks regarding the use of the packages implemented.

İGE is an institution with limited direct impact on the environment due to its 35 employees and its scope of activity. However, measures are taken at the central office regarding energy efficiency and occupational health and safety. Issues such as separation of waste and use of only glass materials for drinking water consumption are prioritized within the institution.

Sustainability Efforts Planned in 2025

It is aimed to increase the number of stakeholder banks of the Green Transformation Guarantee Support Package, which is carried out by İGE with Akbank and Yapı Kredi for sustainability efforts, to eight in 2025. Negotiations with six banks are ongoing in this regard.

One of the priority targets is to further develop the current work carried out in close contact with the Ministry of Trade of the Republic of Türkiye to support green transformation. As a stakeholder of the Responsible Project developed by the Ministry, İGE aims to further support the efforts of exporters for green transformation.

INTERNAL AUDIT

Internal audit activities are carried out in accordance with the ethical principles determined by the Public Oversight Accounting and Auditing Standards Authority and the standards of the International Institute of Internal Auditors (IIA). Within this framework, activities within the institution are examined based on critical values such as honesty, impartiality, professional competence and care.

Through internal audit activities, institutional operations are examined within a risk-based audit approach to determine whether they are conducted in accordance with legal regulations and internal policies. These audits add value to business processes, support operational security, and enhance risk management.

Within the scope of audit activities, it is aimed to provide objective assurance to the Board of Directors, and the audit plan and audit reports are presented to the Board of Directors through the Audit Committee. Thus, the principle of transparency and accountability is preserved.

The audit efforts carried out in 2024 are given below.

- **Preparations for the 2024 audit plan:** To transform the audit platform—defined based on İGE's product range, business processes, planned projects, and systems in use—into an audit plan, the "2024 Risk Matrix Study" was prepared. The "2024 Audit Plan" was created by taking into account the risk assessment results and more audit resources were allocated to risky areas.
- **Routine audit activities:** Audit activities were carried out for the business processes included in the 2024 audit plan, contributing to the improvement of business processes.
- **Improving the information security system:** The rules of the data loss prevention (DLP) program were improved, cases that could lead to information security breaches were monitored, and two Internal Audit Studies were conducted within the scope of ISO27001.
- **Supervision of ethical principles:** The creation of the Ethical Principles Policy and the establishment of the Ethics Reporting Line have been ensured.

INTERNAL CONTROL AND COMPLIANCE

The Internal Control and Compliance unit carries out its activities to control the effective and efficient execution of the Institution's activities, the protection of assets and resources, the accurate and complete keeping of accounting records, and the timely and reliable production of financial and management information.

Establishment of an effective control environment and source of assurance

Internal control activities within the institution are carried out within the scope of defining and implementing effective internal control steps in unit activities and processes and establishing the effectiveness of control activities. Control activities aimed at protecting the institution's assets, the reliability of the financial reporting system and the accuracy of accounting records are carried out at regular intervals. It is ensured that control steps are effectively implemented by all employees.

Monitoring of legislative changes and developments in the financial sector

Legislative compliance efforts within the institution are carried out within the framework of daily monitoring of changes in legal regulations, announcement of those related to the institution, control of contracts, in-house regulations and other relevant documents. Export and banking regulations and developments in the financial sector are regularly monitored and the possible effects of the changes are evaluated.

In 2024:

- In order to increase the effectiveness of the control of financial transactions carried out by the institution, regular controls were implemented on a weekly and monthly basis and the scope of control points was expanded in line with the risk assessment.
- Internal regulations created/updated by Business Units were reviewed and opinions were given within the scope of regulatory compliance.
- Internal control steps have been established for the business units and the business processes they carry out.
- Checks have been made regarding access authorizations.
- Joint efforts were made with relevant business units to develop in-house regulations.

RISK MANAGEMENT PRACTICES

The work and transactions that fall within the scope of the institution's risk management system are carried out under the responsibility of the Risk Management and Monitoring Unit. The institution's risk management is monitored within the framework of basic internal regulations such as the Risk Management Policy, Credit Policy and Monitoring, Compensation and Follow-up Policy. In this context:

- Effective management of credit recovery risk was achieved by using a decision support system (İDES) based on an analytical model in the guarantee evaluation and underwriting process.
- In order to perform monitoring and follow-up activities

related to guarantee risks in a healthier and more effective manner, classification criteria for loans provided with guarantees have been determined. Dangers and risks related to information security and possible business losses that may arise have been determined and effective management of risks in this area has been ensured.

- Contributions were made to risk management strategies and targets through the control and audit activities of the Audit and Internal Control and Compliance Units.

COMMITTEES & ACTIVITIES

Audit Committee

The Audit Committee, which is responsible for assisting the Board of Directors in carrying out audit and surveillance activities within İGE, oversees the effective execution of audit, internal control and risk management activities within the scope of ensuring that the activities of the Institution are carried out fully and safely in accordance with the strategies, that financial reporting is in accordance with the standards and reliable, and that risks that may negatively affect the reputation and financial stability of the Institution are minimized.

The committee members are Mehmet Ali Kılıçkaya and İsmail Halıcı, who were elected among the members of the Board of Directors.

Corporate Governance Committee

The Committee was established to ensure compliance with the Corporate Governance Principles determined by the Board of Directors, to evaluate remuneration policies, to monitor corporate performance, to work on the corporate budget and to present/report its works on these matters to the Board of Directors.
The committee members are Mehmet Ali Kılıçkaya, Ali Güney and Baran Çelik, who were elected among the members of the Board of Directors.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A bonus issue was carried out on 13.06.2024 in order to add the profit of 2023 to the principal capital, and on 27.08.2024 due to the proportional deduction, membership fee and reserve fund amounts transferred to IGE by TİM and exporters' associations in accordance with Law No. 5910 and the amounts transferred by the Banks participating in the capital increase being added to the capital. Accordingly, the capital article in the Articles of Association of the Institution has been amended.

AUDITS & RESULTS

Independent Audit

Within the scope of independent audit activities:
The financial statements of the company for the operating period ending on 31.12.2024 were subject to independent external audit. The independent audit was conducted by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Risk Center Member Audit

The Institution, which is a member of the Risk Center, had its 2024 audit conducted by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (Deloitte) within the scope of the "Circular on the Auditing and Reporting of Risk Center Members to be Conducted by Independent Auditing Institutions" and no findings were included in the Risk Center Member Audit Report prepared as a result of the audit and a positive opinion was given for the Institution.

POLICIES

Human Resources Policy

The Human Resources Policy, which specifies the principles and fundamentals adopted by the institution in the human resources management process, was approved by the Board of Directors on 22.11.2024 and entered into force. The basis of the policy is the protection of personal information, the importance of education and development, equal opportunities, the principle of diversity and non-discrimination, and ethical principles.

Purchasing Policy

The Purchasing Policy, which specifies the principles and fundamentals adopted by the institution in the purchasing process, was approved by the Board of Directors on 22.11.2024 and entered into force. The basis of the policy is the efficient use of resources, sustainability, compliance with laws and ethical rules, fair competition, respect for intellectual property and ensuring information security.

Information Security Policy

The issues that İGE undertakes to identify all kinds of intentional or unintentional threats to information assets and to manage the risks that these threats may pose are detailed on the institution's website.

ETHICAL VALUES

The basic ethical values of the İGE, which continues its activities with the vision of "being one of the most important institutions and policy tools of our country", are stated in detail on the institution's website.

FINANCIAL CONDITION

Assessment of Financial Condition

Export Development Türkiye (İGE), established as a guarantee institution to facilitate exporters' access to financing resources they were previously inaccessible due to insufficient collateral, increased its total assets to TRY 13.9 billion as of December 31, 2024, according to its independent TRY audited individual financial statements. During this period, current assets reached TRY 9.8 billion, representing 70% of total assets, while non-current assets rose to TRY 4.1 billion, accounting for the remaining 30%.

Total Assets also amounted to TRY 13.9 billion, with Equity comprising 95% and Short-Term and Long-Term Liabilities accounting for the remaining 5%. İGE's paid-in capital increased to TRY 8.1 billion by the end of 2024, and the company reported a net profit of TRY 1.6 billion for the same period.

Assessment of the Guarantees Provided

İGE, which began providing guarantees to exporters with equity support in the first quarter of 2022, had received 17,471 guarantee applications backed by its equity as of year-end 2024 and issued guarantees totaling TRY 61.2 billion for TRY 69.7 billion in loans. The institution expanded its access to financing channels with the İGE 100th Anniversary Treasury Support Package, launched in May 2023 under Presidential Decree No. 2016/9538. By the end of 2024, it had received 4,190 guarantee applications under this treasury-backed program and issued guarantees totaling TRY 23.6 billion in loans, offering exporters alternative financing opportunities. As of year-end 2024, İGE also began providing guarantees for foreign currency-denominated loans, and within the scope of both equity and treasury support, issued guarantees totaling TRY 93.3 billion in loans.

As of December 31, 2024, the Institution made compensation payments totaling TRY 17.2 million for 25 loans—23 of which were backed by İGE equity, and 2 under Treasury-Supported Guarantee Transactions. Based on the stated figures, the Institution's compensation ratios were calculated at 0.15% (fifteen per ten thousand) by number of guarantees, and 0.02% (two per ten thousand) by guarantees amount. Thanks to the effective evaluation and post-underwriting monitoring activities, the institution aims to maintain low compensation payments in 2025 relative to its operational volume, and to minimize outstanding compensation balances through recovery from guarantees on which payments have been made.

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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of İhracatı Geliştirme Anonim Şirketi

Opinion

We have audited the annual report of İhracatı Geliştirme Anonim Şirketi (the "Company") and its subsidiary (together will be referred as "the Group") for the period between 1 January 2024 and 31 December 2024, since we have audited the complete set consolidated financial statements for this period.

In our opinion, the consolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent, in all material respects, with the audited complete set of consolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Opinion

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

KPMG

Auditor's Opinion on Complete Set of Consolidated Financial Statements

We have expressed an unqualified opinion on the complete set of consolidated financial statements of the Group for the period between 1 January 2024 and 31 December 2024 on 16 April 2025.

Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC"), the Group's management is responsible for the following regarding the annual report:

a) The Group's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.

b) The Group's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated financial position of the Group accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Group's consolidated financial statements. The annual report shall also clearly indicates the details about the Group's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

c) The annual report also includes the matters below:

- Significant events occurred in the Group after the reporting period,
- The Group's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated financial information included in the annual report in accordance with the TCC and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent with the audited consolidated financial statements of the Group and the information obtained during the audit and give a true and fair view and form a report that includes this opinion .

KPMG

We conducted our audit in accordance with Standards on Auditing issued by POA. Standards on Auditing issued by POA require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent with the consolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak, SMMM
Partner

16 April 2025
İstanbul, Türkiye

İHRACATI GELİŞTİRME A.Ş.

SEPARATE FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE FISCAL PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2024

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CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

To the General Assembly of İhracatı Geliştirme Anonim Şirketi

A) Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of İhracatı Geliştirme Anonim Şirketi ("the Company"), which comprise the statement of separate financial position as at 31 December 2024, the statement of separate profit or loss and other comprehensive income, statement of separate changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2024, and its separate financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

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

KPMG

Key Audit Matters

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

Revenue recognition

Refer to Note 3.10 to the separate financial statements for summary of material accounting policies and significant accounting estimates and assumptions for revenue recognition.

The key audit matter	**How the matter was addressed in our audit**
The Company recognized commission income of TL 268,035,391 under the "revenue" line in its profit or loss statement for the accounting period 1 January – 31 December 2024. Revenue recognition was identified as a key audit matter due to the significant amount of revenue in separate financial statements, the diversity of transactions involved in determining the revenue amount, the high number of transactions, and the use of different methods and parameters in calculating revenue.	Our audit procedures in this area included the following: • We evaluated the compliance of the Company's management's accounting policies with IFRS. • We evaluated the Company's revenue process and evaluated the design, implementation, and operating effectiveness of management's internal controls over the revenue recognition process. • To assess the appropriate recognition of revenue, we tested the existence and accuracy of revenue using supporting documentation obtained on a transaction-by-transaction basis from a selected sample of transactions during the accounting period.

KPMG

IAS 29 - Financial Reporting in Hyperinflationary Economies

See Note 2.3 for details of the accounting policies and significant accounting principles used in IAS 29 - Financial Reporting in Hyperinflationary Economies.

The key audit matter	**How the matter was addressed in our audit**
Because the Company's functional currency (the Turkish Lira) was considered a hyperinflationary currency as of December 31, 2024, the Company applied "TAS 29 Financial Reporting in Hyperinflationary Economies." In accordance with TAS 29, separate financial statements and prior period financial information were restated to reflect changes in the general purchasing power of the Turkish Lira and, as a result, are presented in terms of the purchasing power of the Turkish Lira as of the reporting date. Given the significant impact of TAS 29 on the Company's reported results and separate financial position, inflation accounting was determined as a key audit matter.	Our audit procedures in this area included the following: • The Company's relevant processes and accounting policies were reviewed. • Management's distinction between monetary and non-monetary items was assessed in accordance with IFRS. • The entries and indices used to ensure the completeness and accuracy of the calculations were tested. • The individual financial statements and related financial information restated in accordance with IAS 29 were tested.

Responsibilities of Management and Those Charged with Governance for the Separate *Financial Statements*

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

KPMG

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

· Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

· Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak, SMMM
Partner

16 April 2025
İstanbul, Türkiye

İHRACATI GELİŞTİRME A.Ş.

SEPARATE STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

		Current period	Previous period
		audited	audited
Assets	**Notes**	**31 December 2024**	**31 December 2023**
Current assets		**9,824,726,216**	**9,753,163,405**
Cash and cash equivalents	4	9,820,314,383	9,729,797,162
Trade receivables	6	141,000	69,907
Other receivables	7	59,625	109,025
Prepaid expenses	8	3,985,299	22,914,853
Other current assets	13	225,909	272,458
Fixed assets		**4,111,842,790**	**1,023,859,878**
Property, plant and equipment	9	6,547,337	3,314,273
Financial investments	5	4,040,497,216	941,795,720
Intangible assets	10	54,596,059	61,844,398
Right-of-use assets	11	10,202,178	16,887,328
Prepaid expenses	8	-	18,159
Total assets		**13,936,569,006**	**10,777,023,283**
Current liabilities		**628,574,510**	**781,870,221**
Short-term borrowings		203,030	49,186
- Other borrowings		*203,030*	*49,186*
Short-term portions of long-term borrowings		9,044,335	4,072,114
- Borrowings from leasing transactions	11	*7,410,127*	*4,072,114*
- Other borrowings		*1,634,208*	-
Trade payables	6	24,642,483	40,663,452
Payables within the scope of employee benefits	12	1,422,017	1,365,949
Other payables	7	155,778,760	43,604,589
Short-term provisions:		80,599,580	83,838,077
- Short term provisions for employee benefits	*12*	*12,329,741*	*26,828,813*
- Other short term provisions	*12*	*68,269,839*	*57,009,264*
Deferred income	14	356,884,305	608,276,854
Non-current liabilities		**9,309,302**	**9,012,789**
Long-term borrowings		8,335,903	7,316,377
- Borrowings from leasing transactions	*11*	*5,067,488*	*7,316,377*
- Bank Loans	*7*	*3,268,415*	-
Long-term provisions		973,399	1,696,412
- Long term provisions for employee benefits	*12*	*973,399*	*1,696,412*
Total liabilities		**637,883,812**	**790,883,010**
Equity		**13,298,685,194**	**9,986,140,273**
Parent's equity			
Paid-up capital	15	8,121,681,090	4,804,587,817
Capital adjustment differences	15	8,756,752,413	8,288,457,536
Premiums regarding shares		1,045,245,551	1,045,245,551
Other comprehensive accumulated income or expenses not reclassified under profit or loss		1,785,543	336,454
- Actuarial (loss) gain related to employee benefits		*1,785,543*	*336,454*
Restricted reserves allocated from profit	15	262,643,946	132,975,219
Profits / (losses) from previous years	15	(6,522,690,499)	(3,388,361,164)
Net profit/(loss) for the period		1,633,267,150	(897,101,140)
Total liabilities		**13,936,569,006**	**10,777,023,283**

Accompanying footnotes are integral parts of these financial statements.

İHRACATI GELİŞTİRME A.Ş.

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

	Notes	Current period audited 1 January - 31 December 2024	Previous period audited 1 January - 31 December 2023
Revenue	16	268,035,391	982,744,202
Cost of sales (-)	16	(177,723,786)	(183,823,005)
Gross profit		**90,311,605**	**798,921,197**
General administrative expenses (-)	17	(19,981,945)	(14,976,875)
Marketing expenses (-)	17	(5,737,154)	(5,426,254)
Other operating income	18	5,185,939	5,950,422
Other operating expenses (-)	18	(55,224,286)	(309,010,896)
Operating profit / (loss)		**14,554,159**	**475,457,594**
Income from investment activities		2,929,323	32,800,213
Operation profit/(loss) prior to financial expenses		**17,483,482**	**508,257,807**
Financing income	19	4,969,864,217	3,580,467,408
Financing expense (-)	19	(996,012)	(2,030,786)
Monetary gain/(loss)	23	(3,353,084,537)	(4,983,795,569)
Net profit / (loss) for the period		**1,633,267,150**	**(897,101,140)**
Tax expense / (income)			
Deferred tax expense		-	-
Net profit / (loss) for the period		**1,633,267,150**	**(897,101,140)**
Other comprehensive income portion			
Defined benefit plans re-measurement losses	12	1,449,089	351,376
Defined benefit plans deferred tax effect		-	-
Other comprehensive income		**1,449,089**	**351,376**
Total comprehensive income/(expense)		**1,634,716,239**	**(896,749,764)**

Accompanying footnotes are integral parts of these financial statements.

İHRACATI GELİŞTİRME A.Ş.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

					Accumulated other comprehensive income or expense not to be reclassified to profit or loss				
	Paid-up Capital	Capital Adjustment Difference	Premiums regarding Shares	Other Capital Reserves	Accumulated Re-Measurement Gains /Losses of Defined Benefit Plans	Restricted Reserves Allocated from Profit	Profits / (Losses) from Previous Years	Net Profit / (Loss) for the Period	Total Equity
Balances as of 1 January 2023	**1,875,558,499**	**4,931,091,879**	**1,045,245,551**	**-**	**(14,922)**	**2,685,590,311**	**(8,820,524)**	**(1,131,551,711)**	**9,397,099,083**
Capital Increase	2,929,029,318	3,357,365,657	-	-	-	(2,681,049,128)	(2,119,554,893)	-	**1,485,790,954**
Net Profit /(Loss) for the Period	-	-	-	-	-	-	-	(897,101,140)	**(897,101,140)**
Other Comprehensive Income	-	-	-	-	351,376	-	-	-	**351,376**
Transfers	-	-	-	-	-	128,434,036	(1,259,985,747)	1,131,551,711	-
Balances as of 31 December 2023	**4,804,587,817**	**8,288,457,536**	**1,045,245,551**	**-**	**336,454**	**132,975,219**	**(3,388,361,164)**	**(897,101,140)**	**9,986,140,273**
Balances as of 1 January 2024	**4,804,587,817**	**8,288,457,536**	**1,045,245,551**	**-**	**336,454**	**132,975,219**	**(3,388,361,164)**	**(897,101,140)**	**9,986,140,273**
Capital Increase	3,317,093,273	468,294,877	-	-	-	-	(2,107,559,468)	-	**1,677,828,682**
Net Profit /(Loss) for the Period	-	-	-	-	-	-	-	1,633,267,150	**1,633,267,150**
Other Comprehensive Income	-	-	-	-	1,449,089	-	-	-	**1,449,089**
Transfers	-	-	-	-	-	129,668,727	(1,026,769,867)	897,101,140	-
Balances as of 31 December 2024	**8,121,681,090**	**8,756,752,413**	**1,045,245,551**	-	**1,785,543**	**262,643,946**	**6,522,690,499**	**1,633,267,150**	**13,298,685,194**

Accompanying footnotes are integral parts of these financial statements.

İHRACATI GELİŞTİRME A.Ş.

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

	Notes	Current period audited 1 January - 31 December 2024	Previous period audited 1 January - 31 December 2023
A. Cash flows from operating activities			
Net profit / (loss) for the period		**1,633,267,150**	**(897,101,140)**
Adjustments related to reconciliation of net profit/(loss) for the period			
Adjustments regarding depreciation and amortization expense	9,10	39,763,141	28,135,565
Adjustments related to severance pay	12	1,403,883	2,458,554
Adjustments related to provision for doubtful receivables	6	7,481,525	-
Adjustments related to premium provisions	12	7,828,978	(31,177,074)
Adjustments related to the provision for the expected credit	4	17,634,795	11,826,068
Interest income adjustment	19	(4,969,864,217)	(3,573,048,323)
Monetary loss / (gain)		3,953,099,164	3,954,778,145
Actual changes in operating capital			
Changes in trade receivables		(71,093)	(69,907)
Changes in other receivables		49,400	101,892
Change in pre-paid expenses		18,947,713	(2,827,908)
Change in deferred expenses		(251,392,549)	(785,773,832)
Changes in trade and other receivables		96,153,202	32,978,055
Change in payables within the scope of employee benefits		56,068	279,494
Changes in other asset provisions and liabilities		(1,835,955)	83,368,026
Severance payments made	12	(337,019)	-
A. CASH FLOWS FROM OPERATING ACTIVITIES		**552,184,186**	**(1,176,072,385)**
Investment activities		**(3,124,893,373)**	**(116,784,971)**
Cash outflows from financial investments		(3,098,701,496)	(67,076,551)
Cash inflows from sales of property, plant and equipment and intangible fixed assets	9, 10	484,124	-
Cash outflows from purchase of property, plant and equipment and intangible fixed assets	9, 10	(26,676,001)	(49,708,420)
Cash flows from financing activities		**6,162,805,033**	**4,716,996,171**
Cash inflows from issuance of shares and other equity instruments		1,677,828,682	1,485,790,954
Change in financial liabilities		6,145,591	144,982
Interest received		4,478,830,760	3,231,060,235
Net (decrease) / increase in cash and cash equivalents		**3,590,095,846**	**3,424,138,815**
Monetary loss on cash and cash equivalents		**(3,648,623,994)**	**(3,899,115,141)**
Cash and cash equivalents at the beginning of the period	4	**9,387,809,074**	**9,862,785,400**
Cash and cash equivalents at end of period	4	**9,329,280,926**	**9,387,809,074**

Accompanying footnotes are integral parts of these financial statements.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 1 – ORGANIZATIONAL STRUCTURE AND BUSINESS ACTIVITY OF THE COMPANY

İhracatı Geliştirme A.Ş. (the "Company") was established in 2021 and operates in Türkiye. The Company supports Small and Medium-Sized Enterprises ("SMEs") and enterprises outside this scope ("Non-SME") by providing guarantees, thereby enabling these businesses to obtain bank financing for their investments and operations.

The Company was established to contribute to meeting all kinds of financing needs of exporters of goods and services both domestically and abroad through newly developed credit guarantee and suretyship applications appropriate to country conditions, and to expand, support, and facilitate access to all kinds of financing by providing guarantees and sureties exclusively for export credits in favor of exporters or potential exporters, whether natural or legal persons, who have insufficient collateral, financial data, moral values, and/or capital adequacy in terms of creditworthiness and access to finance.

The Company's shareholders are distributed as follows: Exporters' Associations 77%, Banks 13%, Türkiye Exporters Assembly (TİM) 5%, and Eximbank 5% (Note 15).

The registered address of the Company is Küçükbakkalköy Mah. Defne Sokak No:3, Büyükhanlı Plaza Floor:1, Ataşehir/Istanbul.

As of 31 December 2024, the Company's total numberof employees is 35(31 December 2023: 35).

The separate financial statements as of 31 December 2024, and for the fiscal year then ended, were approved by the Company's Board of Directors on 16.04.2025. Within the framework of the legislation, the Company's authorized boards and regulatory authorities have the right to amend the financial statements.

As of 31 December 2024, the activity of the subsidiary included in the financial statements is as follows:

			31 December 2024	31 December 2023
Subsidiary name	**Main activity**	**Activity location**	**Shareholding ratio (%)**	**Shareholding ratio (%)**
Türk Ticaret Bankası A.Ş.	Banking Services	Türkiye	99.76	98.50

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basic principles regarding presentation

The accompanying separate financial statements have been prepared based on the Turkish Financial Reporting Standards ("TFRS") issued and enforced by the Public Oversight, Accounting and Auditing Standards Authority ("POA") and the related amendments and interpretations thereof.

The Company complies with the principles and requirements issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") in keeping the accounting records and drawing up statutory financial statements, as well as with the Turkish Commercial Code ("TCC"), tax legislation, and the Uniform Chart of Accounts requirements issued by the Republic of Türkiye Ministry of Treasury and Finance ("Ministry of Treasury and Finance"). These separate financial statements, prepared in accordance with the Turkish Financial Reporting Standards, are presented in Turkish Lira based on the historical cost convention adjusted for the effects of inflation, except for derivative instruments measured at fair value. The financial statements have been presented in accordance with the TAS ("Turkish Accounting Standards") Taxonomy published by the POA on 4 October 2022. Furthermore, the financial statements have been prepared by reflecting the necessary adjustments and reclassifications made to the statutory records, which were prepared on a historical cost basis, in order to present a true and fair view in accordance with Turkish Financial Reporting Standards ("TFRS").

The Company's financial statements have been presented in the functional currency of the primary economic environment in which it operates. The Company's financial position and results of operations are expressed in Turkish Lira, which is the Company's functional currency and the presentation currency of the financial statements.

The Company's functional and presentation currency is Turkish Lira (TRY).

Financial assets and liabilities are presented on a net basis when there is a legally enforceable right to set off the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.2 Statement of Compliance with TAS / TFRS

The accompanying separate financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") released by the Public Oversight Accounting and Auditing Standards Authority ("POA"). The financial statements and footnotes are presented in accordance with the "sample financial statements and user guide" announced by the POA with its principle decision dated 4 October 2022. TFRS is updated through communiqués to maintain alignment with changes in International Financial Reporting Standards ("IFRS").

The Company has prepared consolidated financial statements and footnotes in accordance with TFRS, along with its separate financial statements. The Company's consolidated financial statements were approved by the Company's Board of Directors on 16.04.2025.

The accompanying separate financial statements have been prepared on a historical cost basis adjusted for the effects of inflation on the Turkish Lira as of the reporting date, except for monetary assets and liabilities and assets and liabilities measured at fair value, in accordance with Turkish Accounting Standard ("TAS") 29 "Financial Reporting in Hyperinflationary Economies."

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3. Adjustment of Financial Statements During Periods of Hyperinflation

TAS 29 is applied to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy. If an economy is experiencing hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in the measuring unit prevailing at the end of the reporting period. As of the reporting date, since the cumulative increase in the Consumer Price Index ("CPI") over the last three years has exceeded 100%, it has been indicated in the Announcement on the Adjustment of Financial Statements of Companies Subject to Independent Audit, published by the POA on 23 November 2023, that entities applying the Turkish Financial Reporting Standards are required to present their financial statements for annual reporting periods ending on or after 31 December 2023 adjusted for the effects of inflation in accordance with the relevant accounting principles set out in TAS 29.

As a result, the financial statements of entities whose functional currency is Turkish Lira are adjusted in accordance with TAS 29 for changes in the general purchasing power of the Turkish Lira as of 31 December 2024. The adjustment is calculated using the Consumer Price Index adjustment factors published by the TURKSTAT, derived from data across Türkiye. The indices and adjustment factors for the last three years used in the restatement of the financial statements are as follows:

Date	Index	Adjustment factor	Three-year cumulative inflation rates
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
1 January 2023	1,128.45	2.37897	156%

TFRS requires the financial statements of an entity whose functional currency is that of a hyperinflationary economy to be restated in accordance with the requirements of TAS 29 and to be applied retrospectively under the assumption that the economy has always been hyperinflationary. The fundamental principle in TAS 29 is that the financial statements of an entity reporting in the currency of a hyperinflationary economy shall be reported in terms of the measuring unit current at the reporting date. Comparative figures for the prior period are restated to the same current measuring unit.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3. Adjustment of Financial Statements During Periods of Hyperinflation (cont'd)

The main procedures applied for the adjustments mentioned above are as follows:

•Monetary assets and liabilities carried at their current amounts as of the reporting date have not been restated, as they are already stated in terms of the current currency at the reporting date.
•Non-monetary assets and liabilities and equity items carried at historical cost have been restated by applying the relevant adjustment factors from the transaction date.
•Property, plant and equipment and right-of-use assets have been restated by applying the changes in the index from the transaction date to the reporting date. Depreciation is calculated based on the restated amounts.
•All income statement items, except the depreciation expenses explained above, have been restated by applying monthly adjustment factors from the monthly reporting date to the year-end reporting date.
•The effects of inflation on the Company's net monetary position are presented in the income statement as "monetary gain/(loss)."
•All items in the cash flow statement are expressed in terms of the current measuring unit at the reporting date. Comparative figures for prior periods have been restated by applying index changes from the respective comparative periods to 31 December 2024.

2.4. Comparative information

In order to determine the financial position and performance trends, the financial statements of the Company are prepared in comparison with the previous periods. As of 31 December 2024, the Company presents the statement of financial position comparatively with the prior period, and the statement of profit or loss, statement of profit or loss and other comprehensive income, and statement of changes in equity comparatively with the fiscal period from 1 January to 31 December 2023.

2.5. Changes in Accounting Policies and Estimates and Errors

Significant changes in accounting policies and identified significant accounting errors are applied retrospectively, and prior period financial statements are restated. Changes in accounting estimates are applied prospectively, affecting only the current period if the change relates to that period, or both the current and future periods if the change relates to future periods. Identified significant accounting errors are corrected retrospectively, and prior period financial statements are restated. The Company has not identified any significant accounting errors during the current year. Changes in accounting policies arising from the first-time application of a new TAS/TFRS are applied retrospectively in accordance with the transitional provisions of the relevant TAS/TFRS, if any; if no transitional provisions exist or if a voluntary significant change in accounting policy is made, they are applied retrospectively and prior period financial statements are restated. No changes were made in accounting policies during 2024.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Business continuity

The Company has drawn up its financial statements as per the business continuity principle.

2.7 New and Revised Turkish Financial Reporting Standards

i) New standards, amendments, and interpretations effective as of 31 December 2024

Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the International Accounting Standards Board ("IASB") amended IAS 21 to clarify:

• When one currency can be converted into another currency; and

• How an entity estimates the spot rate when a currency is not exchangeable.

The related amendments were published in the same manner by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 5 June 2024.

A currency is considered exchangeable for an entity if, at the measurement date and for a particular reason, the entity can exchange that currency for another currency. However, when currencies are not exchangeable for the entity, the entity is required to estimate a spot foreign exchange rate.

When estimating the spot foreign exchange rate, an entity's objective is solely to reflect the rate at which orderly foreign exchange transactions would take place between market participants at the measurement date under current economic conditions. The amendment does not include specific requirements regarding how to estimate the spot foreign exchange rate.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.7 New and Revised Turkish Financial Reporting Standards (cont'd)

Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates (cont'd)

Therefore, when estimating the spot foreign exchange rate, an entity may use:

• an observable foreign exchange rate that does not require adjustment; or

• another estimation technique.

According to the amendments, entities will be required to provide new disclosures to assist users of financial statements in understanding the effects of using an estimated foreign exchange rate. These disclosures may include:

• the nature and financial effects of the lack of exchangeability of the currency;

• the spot foreign exchange rate used;

• the estimation process; and

• the risks to which the entity is exposed due to the lack of exchangeability of the currency.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Early application is permitted.

The application of the amendment on Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates is not expected to have a significant impact on the Company's financial statements.

New and updated standards and interpretations published by the International Accounting Standards Board ("IASB") but not yet published by the Public Oversight, Accounting and Auditing Standards Authority ("POA")

IFRS 18 – Presentation and Disclosures in Financial Statements

On 9 April 2024, the International Accounting Standards Board ("IASB") published IFRS 18 Presentation and Disclosures in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. It carries forward many provisions of IAS 1 without significant changes.

The objective of IFRS 18 is to set out the requirements for the presentation and disclosure of information in general-purpose financial statements (financial statements) to help entities provide relevant information that faithfully represents their assets, liabilities, equity, income, and expenses.

IFRS 18 introduces three defined categories for income and expenses (operating, investing, and financing) to improve the structure of the statement of profit or loss and requires all entities to present new defined subtotals, including operating profit.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively. Early application is permitted.

The application of IFRS 18 is not expected to have a significant impact on the Company's financial statements.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.7 New and Revised Turkish Financial Reporting Standards (cont'd)

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

Classification of financial assets with contingent features

The amendments introduce an additional SPPI (solely payments of principal and interest) test requirement to clarify the classification of financial assets with contingent features that are not directly related to changes in fundamental credit risks or costs—for example, in cases where the cash flows vary depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan agreement, the classification of such contingent financial assets will be determined by the SPPI test. The SPPI test determines whether the asset is accounted for at amortized cost or fair value.

Under the amendments, certain financial assets, including those with ESG-linked features, can now meet the SPPI criterion provided that the cash flows are not substantially different from those of an otherwise identical financial asset without such features. However, entities will be required to perform additional work involving judgment to demonstrate this.

The amendments also include additional disclosures for all financial assets and financial liabilities with certain contingent features that:

- are not directly related to changes in fundamental credit risks or costs; and
- are not measured at fair value through profit or loss.

Reconciliation of electronic payments

An entity that settles its trade payable using an electronic payment system generally derecognizes the trade payable on the payment date. The amendments introduce an exception to the derecognition of such financial liabilities. This exception allows the entity to derecognize the trade payable before the payment date if it uses an electronic payment system that meets all the following criteria:

- It is not possible to withdraw, stop, or cancel the payment instruction;
- There is no access to the cash used for payment as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system is insignificant.

Other amendments

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key features of **contractually linked instruments** and how these instruments differ from financial assets with non-recourse features. The amendments also specify the factors that an entity should consider when assessing the cash flows of financial assets with non-recourse features (the so-called "look-through" test).

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.7 New and Revised Turkish Financial Reporting Standards (cont'd)

Other amendments (cont'd)

Disclosures on investments in equity instruments

The amendments introduce additional disclosure requirements for investments in equity instruments that are measured at fair value and for which gains or losses are presented in other comprehensive income (fair value changes presented in OCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Entities may choose to early apply these amendments (including the related disclosure requirements) separately from the amendments regarding the accounting and derecognition of financial assets and financial liabilities.

The application of these amendments to IFRS 9 and IFRS 7 is not expected to have a significant impact on the Company's financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries of entities that apply IFRS Accounting Standards may significantly reduce their disclosure requirements and focus more on user needs following the issuance of IFRS 19.

A subsidiary may elect to apply the new standard in its consolidated, separate or individual financial statements if it meets the following criteria:

- It does not have public accountability
- Its parent prepares consolidated financial statements in accordance with IFRS Accounting Standards.

A subsidiary applying the reduced disclosure requirements under IFRS 19 will fully comply with the recognition, measurement, and presentation requirements of IFRS, but will provide reduced disclosures, and it must clearly state in its compliance statement with IFRS Accounting Standards that it has applied IFRS 19.

The amendments are effective for annual fiscal periods beginning on or after 1 January 2027. Early application is permitted.

The application of IFRS 19 is not expected to have a significant impact on the Company's financial statements.

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.7 New and Revised Turkish Financial Reporting Standards (cont'd)

IFRS Annual Improvements – Volume 11:

The annual improvements process aims to enhance the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB issued the publication titled "Annual Improvements to IFRS Accounting Standards – Volume 11" to make minor amendments to five standards.

Transaction Price (Amendments to IFRS 9: Financial Instruments): The term "transaction price," which appears in IFRS 9 and was used in some paragraphs with a meaning not fully aligned with its definition in IFRS 15, has been updated and replaced with "amount determined applying IFRS 15" to ensure consistency.

Derecognition of Lease Liabilities (Amendments to IFRS 9: Financial Instruments): When a lease liability is derecognized, the transaction is accounted for under IFRS 9. However, lease modifications are accounted for under IFRS 16. With this amendment, the IASB clarifies that when a lease liability is derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.
The amendment related to the derecognition of lease liabilities applies only to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.
The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

Hedge Accounting by First-time Adopters (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)

IFRS 1 has been amended to:
• Enhance consistency with the hedge accounting requirements in IFRS 9;
• Improve understandability.

A cross-reference to IFRS 9 has been added in IFRS 1 under the section "Exception to retrospective application of other IFRSs."
Gains or Losses on Derecognition (Amendments to IFRS 7 Financial Instruments: Disclosures): A statement has been added to IFRS 7 clarifying that the guidance provided does not illustrate all the requirements for the recognition of gains or losses arising on derecognition. Additionally, the term "inputs not based on observable market data" has been revised to "unobservable inputs" to ensure alignment with the terminology in IFRS 13.

Disclosure of the Deferred Difference Between Fair Value and Transaction Price (Amendments to IFRS 7 Financial Instruments: Disclosures): The wording, which remained unamended following the issuance of IFRS 13 in May 2011, has been simplified and clarified through this amendment to better explain that the transaction price may differ from fair value at initial recognition. Fair value is not supported by a price in an active market for the same asset or liability (a Level 1 input), nor by a valuation technique based solely on observable market data. (In such cases, the difference shall be recognized in profit or loss in subsequent periods in accordance with IFRS 9.)

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NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.7 New and Revised Turkish Financial Reporting Standards (cont'd)

IFRS Annual Improvements – Volume 11: (cont'd)

Credit Risk Disclosures: Paragraph IG1 of IFRS 7 has been amended to clarify that it does not illustrate all of the requirements referred to in the related paragraphs of IFRS 7.
Determination of a 'De Facto Agent' (Amendments to IFRS 10 Consolidated Financial Statements): In determining whether another party is acting on behalf of the investor, the guidance has been revised to use less definitive language when the investor has the ability to direct the party that directs the investee's activities, such that judgment is required in assessing whether the party is acting as a de facto agent.
Cost Method (Amendments to IAS 7):
Following previous amendments that removed the term "cost method," the expression in IAS 7 has been revised from "cost method" to "accounted for at cost."

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
In December 2024, the IASB amended IFRS 9 to address challenges in applying IFRS 9 to contracts referencing nature-dependent electricity, sometimes referred to as Renewable Energy Supply Agreements ("RESA"). The amendments provide guidance on:

- The "own use" exemption for electricity purchasers under such RESAs; and
- Hedge accounting requirements for entities using RESAs to hedge electricity purchases or sales.
- New disclosure requirements for certain RESAs in IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures.

These amendments are effective for reporting periods beginning on or after 1 January 2026. Early application is permitted.
Own Use Exemption for RESAs
If the "own use" exemption under IFRS 9 is not applied when purchasing electricity through RESAs, the RESAs are considered derivatives and measured at fair value through profit or loss; which can lead to significant volatility in the income statement as RESAs are generally long-term contracts.
In order for the own-use exemption to be applicable to RESAs, IFRS 9 requires entities to assess whether the contract aligns with the entity's expected purchase or usage needs – for example, the expectation that the entity will consume the purchased electricity. The unique characteristics of electricity, its inability to be stored and the necessity to sell unused electricity on the market within a short timeframe, with such sales occurring under market conditions are not subject to short-term price speculation, which has created a need for clarity in applying the current exemption. The amendments allow entities to apply the own-use exemption to RESAs if they are expected to remain net buyers of electricity throughout the contract period.

These amendments are applied retrospectively based on the facts and circumstances at the beginning of the first reporting period of application, without requiring restatement of prior periods.

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NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.7 New and Revised Turkish Financial Reporting Standards (cont'd)

IFRS Annual Improvements – Volume 11: (cont'd)

Hedge Accounting Requirement for RESAs
Since virtual RESAs (contract for differences) and RESAs that do not meet the own-use exemption are accounted for as derivatives and measured at fair value through profit or loss, the hedge accounting requirements in IFRS 9 have been amended to permit the application of hedge accounting to RESAs. This amendment aims to reduce profit or loss volatility by:

- Allowing entities to designate a variable notional volume of renewable electricity purchases or sales as the hedged item, rather than a fixed volume;
- Permitting the measurement of the hedged item using the same volume assumptions used for the hedging instrument.

These amendments apply prospectively only to new hedging relationships designated after the date of initial application. Additionally, entities are allowed to discontinue an existing hedge accounting relationship and re-designate the same hedging instrument (i.e., contracts referencing nature-dependent electricity) in a new hedging relationship under the amended requirements.

Amendments that have become effective and are being applied

The amendments that have become effective for annual fiscal periods beginning on or after 1 January 2024 are as follows:

1) Classification of Liabilities as Current or Non-current (Amendments to TAS 1)
2) Lease Liability in a Sale and Leaseback Transaction – Amendments to TFRS 16 Leases
3) Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
4) International Tax Reform – Pillar Two Model Rules – Amendments to TAS 12 The IASB amended IAS 12 to introduce a temporary mandatory exception from accounting for deferred taxes arising from legislation enacted to implement the Global Anti-Base Erosion Rules (the "GloBE model rules"). Under this exemption, entities are not required to recognize or disclose deferred tax relating to top-up taxes. However, they must disclose the application of the exemption.

   The exemption became effective immediately and is applied retrospectively in accordance with IAS 8. The exemption remains in effect until the IASB decides to either remove or make it permanent.

   The related amendments have also been published by the POA through corresponding changes to TAS 12.

These newly enacted standard amendments have not had a significant impact on the Company's financial statements.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Foreign currency transactions

The Company translates transactions denominated in foreign currencies into TRY using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, which are presented in the statement of financial position, are translated into TRY using the exchange rates prevailing at the end of the reporting period. Foreign exchange gains or losses arising from the translation of such transactions and monetary items are recognized in the statement of comprehensive income in the period in which they occur.

The exchange rates used for the years ended 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
EUR / TRY	36.7362	32.5739
USD / TRY	35.2803	29.4382

3.2. Cash and cash equivalents

Cash and cash equivalents are reflected in the balance sheet at cost. Cash and cash equivalents include cash on hand, bank deposits, and short-term investments that are readily convertible to known amounts of cash, have high liquidity, are subject to insignificant risk of changes in value, and have original maturities of three months or less from the acquisition date. The carrying amounts of these assets approximate their fair values.

3.3. Disclosures on financial assets

The Company classifies and accounts for its financial assets as "Financial Assets at Fair Value Through Profit or Loss," "Financial Assets at Fair Value Through Other Comprehensive Income," or "Financial Assets Measured at Amortized Cost." These financial assets are recognized or derecognized in accordance with the provisions on "Recognition and Derecognition" included in Part 3 of TFRS 9 Financial Instruments, as published by the Public Oversight Accounting and Auditing Standards Authority (POA) in the Official Gazette dated 19 January 2017 and numbered 29953, regarding the classification and measurement of financial instruments.

Financial assets are initially measured at fair value upon recognition in the financial statements. For financial assets other than those classified as "Financial Assets at Fair Value Through Profit or Loss," transaction costs are added to or deducted from the fair value at initial recognition. The Company recognizes a financial asset in the statement of financial position only when it becomes a party to the contractual provisions of the instrument. At the time of initial recognition of a financial asset, the business model determined by Company management and the contractual cash flow characteristics of the financial asset are taken into account. If the business model determined by Company management changes, all financial assets affected by such change are reclassified, and the reclassification is applied prospectively. In such cases, no adjustments are made to previously recognized gains, losses, or interest in the financial statements.

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EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

a. Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are financial assets that are managed under a business model other than one aimed at holding to collect contractual cash flows or one aimed at both collecting contractual cash flows and selling, or where the contractual terms of the financial asset do not give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding; and include financial assets held for the purpose of generating profit from short-term fluctuations in prices or similar elements in the market, or those that, regardless of the reason for their acquisition, are part of a portfolio held with the objective of short-term profit.

Financial assets at fair value through profit or loss are recognized initially at fair value and subjected to valuation with their fair values following their recognition. Gains or losses arising from changes in fair value are recognized in profit or loss.

b. Financial assets at fair value through other comprehensive income:

Financial assets are classified as at fair value through other comprehensive income if they are held within a business model that is managed both to collect contractual cash flows and to sell financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at fair value through other comprehensive income are initially recognized at acquisition cost reflecting their fair value, plus transaction costs. After initial recognition, financial assets at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest method on debt securities classified as financial assets at fair value through other comprehensive income, and dividend income on equity securities representing ownership interests, are recognized in the profit or loss statement.

"Unrealized gains and losses," which represent the difference between the fair value and the amortized cost of financial assets at fair value through other comprehensive income, are not recognized in the profit or loss statement until the related financial asset is collected, sold, disposed of, or impaired, and are instead recorded under equity in the "Accumulated Other Comprehensive Income or Loss to Be Reclassified to Profit or Loss" account. When the related financial asset is collected or disposed of, the cumulative fair value changes previously recognized in equity are reclassified to profit or loss.

At the time of initial recognition, the entity may make an irrevocable election to present subsequent changes in the fair value of an equity investment not held for trading in other comprehensive income. In such cases, dividend income derived from the investment is recognized in profit or loss.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

c. Financial assets measured at amortized cost:

A financial asset is classified as measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially recognized at acquisition cost reflecting their fair value, plus transaction costs, and subsequently measured at "amortized cost" using the "Effective Interest Rate (internal yield) method. Interest income related to financial assets measured at amortized cost is recognized in profit or loss.

As of 31 December 2024, the Company classifies cash and cash equivalents as financial assets measured at amortized cost.

d. Subsidiary:

Subsidiaries are accounted for at cost in accordance with the "Turkish Accounting Standard on Separate Financial Statements" ("TAS 27") and are reflected in the unconsolidated financial statements after deducting any impairment loss allowance, if applicable.

e. Disclosures on expected credit loss provisions:

Company's Policy on Expected Credit Loss Provisions

The Company recognizes expected credit loss provisions in accordance with "TFRS 9 Financial Instruments", published by the Public Oversight Accounting and Auditing Standards Authority in the Official Gazette dated 19 December 2017 and numbered 29953. Estimation of expected credit losses includes supportable information about estimations regarding impartial, past incidents weighted based on possibilities and future economic conditions.

Expected Credit Loss (ECL) Calculation — Inputs and Estimation Methodologies:

Expected credit loss is calculated over the lifetime of an asset depending on whether it is considered to have experienced a credit loss since initial recognition. Expected credit loss is calculated using the components of Exposure at Default, Probability of Default, and Loss Given Default.

Exposure at Default: Represents the amount at risk at the date of default in case of realization of guarantees provided by the Company within equity scope. This amount is calculated and maintained in the system over the remaining maturity of the debtor.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

e. Disclosures on expected credit loss provisions: (cont'd)

Probability of Default (PD): The probability of default represents the likelihood that the borrower will fail to meet its obligations, thereby triggering compensation of the guarantee provided within the scope of equity. The Company uses lifetime estimation for calculating the probability of default. The lifetime probability of default calculation is performed by extrapolating actual historical default rates into the long term using various functions based on historical data. The PD values were derived from 8 years of data covering the period from 2015 to 2023.

The models used in PD calculation have been developed based on historical data regarding compensated and non-compensated guarantees, taking into account past loss experience. The relationship between the risk parameters used and macroeconomic conditions has been identified, and the macroeconomic indicators that influence the probability of default have been determined. In this context, macroeconomic forecasts have been incorporated using different scenarios to reflect their potential impact on PD fluctuations.

Loss Given Default (LGD): Loss given default is the ratio that estimates the portion of the receivable that will not be collected in the event of default by the borrower.

Taking into account the long-term recovery process, including historically compensated guarantees provided within the scope of equity and their compensation amounts, on a segment-specific basis; the calculation is performed based on net amounts obtained by deducting the collected amount from the compensation amount and discounting the result using the effective interest rate or a rate approximating it.

Expected credit loss is calculated over the remaining maturity using the components of exposure at default, probability of default, and loss given default. The calculated values are discounted to the reporting date using the original effective interest rate or a rate approximating it. In addition, per the Company's policy, individual assessments are carried out for compensated guarantees with risk exposure above a certain threshold when determining the expected credit loss.

Loss Given Default (LGD) expresses the economic net loss arising from a credit default as a ratio related to the amount in default. Within the scope of the Loss Given Default model, the Net Recovery Rate parameter is calculated. The Net Recovery Rate parameter estimates the proportion of the total default balance that is expected to be economically recovered during the period from the credit default to the closure of the collection process.

Due to the absence of historical collection data, an LGD model could not be developed for the live portfolio. However, in the calculation of ECL, the 45% rate specified in Article 1.2 of Section Two in Annex 1 of the "Communiqué on Calculation of Credit Risk Amount with Internal Rating Based Approaches" published by the Banking Regulation and Supervision Agency, has been used. This rate is considered as an average value for all customers in the live portfolio. For the assignment of LGD values to default cases, LGD values for non-performing loans have been calculated to take into account the duration of default. Accordingly, expert opinion determined that the saturation point, where collections reach their maximum level during the default period, occurs at 36 months, an interpolation method has been applied so that the LGD value reaches 100% at the 36th month. In the event of sufficient accumulation of default observations, the saturation point will be determined based on the analysis to be conducted.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

e. Disclosures on expected credit loss provisions: (cont'd)

Cash and cash equivalents include cash on hand, bank balances, and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. The carrying amounts of these assets approximate their fair values. In the current period, the Company has recognized expected credit loss provisions for financial assets measured at fair value through other comprehensive income and bank deposits subject to impairment provisions, in accordance with the requirements of "TFRS 9 – Financial Instruments".

f. Macroeconomic Model

Under TFRS 9, the calculation process for expected credit loss provisions requires consideration of forward-looking information. Therefore, a macroeconomic model has been developed using data from 2015 to 2023 in order to make forward-looking forecasts. Due to the use of two different data sets for default rate calculations between 2015 and 2023, and a significant difference between these two default rates, the period between 31.12.2020 and 31.12.2023 has been used as the basis for interpolation between the two data sets.

In the macroeconomic model, default identification is conducted according to the definition of default specified in the "Expected Credit Loss Calculation Policy."

Due to the institution's insufficient historical data, in the process of obtaining the dependent variable default rate for the macroeconomic model:

- For the years 2015 - 2021, follow-up information was obtained from the credit risk limit data of firms listed in the exporter firm list provided by the Ministry of Trade's Directorate General of Exporters,
- For the years 2022 - 2023, follow-up information was obtained from the risk center credit limit risk data of firms that received guarantee services from the Institution.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

f. Macroeconomic Model (cont'd)

Macroeconomic Model and the Derivation of Forward-Looking PD Values

The detailed model parameters used in the process of obtaining the macroeconomic model are as follows:

Macroeconomic Model Parameters

Model Parameter	Coefficient
Intercept	(3.53947)
GDP (Annual)	(2.67677)
USD Commercial Interest (Annual)	1.20099

The macroeconomic model is used to forecast forward-looking PD values for the first two years. Therefore, the projected values of the variables included in the model for the years 2025 and 2026 have been calculated based on scenario analysis with optimistic (10%), baseline (70%), and adverse (20%) weights, as shown below.

Forward-Looking Variable Forecasts

Period	Commercial Loan Interest Rate (USD)			GDP Growth		
	Optimistic	Baseline	Adverse	Optimistic	Baseline	Adverse
2025	10.61	8.84	7.07	5.40	4.50	3.60
2026	9.37	7.81	6.25	6.00	5.00	4.00

Based on the coefficients and scenario weights mentioned above, and including the variable forecasts, quarterly PD forecasts have been carried out. The annual projected PD values have been calculated by taking the average of the forward-looking quarterly PD forecasts obtained as a result of these calculations, as shown below:

Forward-Looking PD Forecasts

Period	PD
2025	0.387%
2026	0.275%

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

Derecognition Policy

The Company applies derecognition primarily when a financial asset is fully compensated and there is no expectation of recovery, with such expectations being legally documented.

Partial derecognition transactions refer to cases where a mutual agreement is reached with the debtor for partial repayment of the financial asset, and the remaining amount after payment is removed from the financial statements.

Credit Stages

Financial assets are categorized into the following three stages based on the increase in observed credit risk from the date they are first recognized in the financial statements:

Stage 1:

These are financial assets that, at initial recognition or subsequently, do not show a significant increase in credit risk or are part of a portfolio with a low default rate as of the reporting date. For these assets, the impairment provision for credit risk is recognized based on 12-month expected credit losses. The Company applies the estimated 12-month probability of default to the estimated exposure at default, multiplies it by the expected loss given default, and discounts the result to present value using the original effective interest rate of the credit. For these assets, the 12-month expected credit loss is recognized, and interest income is calculated on the gross carrying amount. The 12-month expected credit loss represents the loss resulting from risks that are likely to occur within the 12 months following the reporting date.

Stage 2:

If there is a significant increase in credit risk after initial recognition but the financial asset is not yet considered to be credit-impaired, the asset is transferred to Stage 2. The Company determines the impairment provision for credit risk based on the lifetime expected credit losses of the related financial asset. Lifetime expected credit loss refers to losses resulting from all potential events over the expected life of the financial asset. The probability of default and loss given default rates are estimated over the life of the credit, including the use of multiple scenarios. Expected cash flows are discounted using the original effective interest rate.

Stage 3:

Stage 3 includes financial assets for which there is objective evidence of impairment as of the reporting date. For these assets, lifetime expected credit losses are recognized. While the methodology the Company applies for credits in this stage is similar to that used for Stage 2, the probability of default is assumed to be 100%.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4. Property, plant, and equipment

Property, plant, and equipment are accounted for at cost values adjusted for inflation, less accumulated depreciation and any accumulated impairment losses. When property, plant, and equipment are sold, the related cost, accumulated depreciation, and any impairment provisions are derecognized from the relevant accounts, and the resulting gain or loss is recognized in the income statement.

The cost of property, plant, and equipment comprises the purchase price, import duties and non-refundable taxes, and any expenses directly attributable to bringing the asset to its intended use. Expenses such as repairs and maintenance incurred after the property, plant, and equipment has been put into use are recognized as expenses in the period in which they are incurred. However, expenditures that increase the future economic benefits of the related property, plant, and equipment are capitalized and added to the cost of the asset.

Depreciation

Depreciation on property, plant, and equipment is calculated on a straight-line basis over the estimated useful lives of the assets, starting from the date the assets are put into use.

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

Asset type	Estimated economic life
Fixtures and fittings	3-15 years
Leasehold improvements	Over the lease term

Subsequent costs

Subsequent expenditures are capitalized if they increase the future economic benefits of the related property, plant, and equipment. All other costs are recognized as expenses in the comprehensive income statement as they are incurred.
Gains or losses arising from the disposal of property, plant, and equipment are determined by comparing the proceeds from disposal with the carrying amount of the related asset and are reflected in the current period's income or expense accounts.

3.5. Intangible assets

Intangible assets are recorded at their acquisition costs adjusted for inflation. Intangible assets include software programs. Amortization expenses related to intangible assets are recognized in the comprehensive income statement and are calculated using the straight-line amortization method over the estimated useful lives of the related assets, which range from 3 to 5 years. Intangible assets are reviewed for impairment whenever there are indications that the carrying amount may not be recoverable, and necessary impairment provisions are recognized accordingly.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6. Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated to determine the impairment loss.

3.7. Provisions, contingent liabilities, and contingent assets

For a provision to be recognized in the financial statements, the Company must have a present legal or constructive obligation arising from past events; it must be probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount of the obligation must be reliably estimated. If these criteria are not met, the Company discloses the related matters in the relevant footnotes.

When it becomes probable that an inflow of economic benefits will arise, a contingent asset is disclosed in the footnotes to the financial statement. When the inflow of economic benefits is virtually certain, the asset and the related income are recognized in the financial statements at the date the change occurs.

3.8. Employee benefits

Provision for severance pay

According to the Turkish Labor Law, the Company is obliged to make a lump-sum payment to employees whose employment ends due to retirement or reasons other than resignation and behaviors specified by law. The provision for severance pay for the Company's employees represents the present value of the probable future obligations arising from retirement.

The calculation of the severance pay provision is based on the severance pay ceiling announced by the government.

Short-term liabilities arising from employee benefits are recognized as expenses in the profit or loss statement as the related services are rendered by the employees, without discounting.

The amount expected to be paid as short-term cash bonuses is recognized as a provision when the Company has a present legal or constructive obligation due to past services rendered by employees, and the obligation can be reliably estimated.

Under the Turkish Labor Law, in the event of termination of an employment contract for any reason, the Company is liable to pay the employee or their beneficiaries the gross wage and other contractually related benefits for unused annual leave accrued up to the termination date. The provision for unused leave represents the undiscounted total liability for all employees' earned but unused leave days as of the reporting date. Obligations arising from unused leave rights are accrued in the periods in which the rights are earned.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9. Related parties

a. A person or a close family member of that person is considered related to the Company if the person meets any of the following conditions:
If that person:

- Has control or joint control over the Company,
- Has significant influence over the Company,
  Is a member of the key management personnel of the Company or of a parent company of the Company.

b. An entity is considered related to the Company if any of the following conditions exist:
The entity and the Company are members of the same group,

- The entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of the group of which the other entity is a member),
- Both entities are joint ventures of the same third party,
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
- The entity has post-employment benefit plans for the employees of the Company or of an entity related to the Company (if the Company itself has such a plan, the sponsoring employers are also related to the Company),
- The entity is controlled or jointly controlled by a person identified in item (a),
- A person identified in item (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.10. Revenue

The Company provides financial guarantees consisting of guarantees during its operations. The income earned consists of guarantee commissions, review fees, and transaction fees. Commission revenues are accounted for as follows: initial year commissions are recognized regardless of the transaction execution, transaction fees are recognized as service income from the related customer per transaction when collected, and guarantee commissions in subsequent years are accounted for on an accrual basis.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11. Financial income and expenses

Interest income and expenses are recognized in the income statement using the effective interest rate method. The effective interest rate is the discount rate that equalizes the expected estimated future cash inflows and outflows over the expected life of the financial asset or liability to the current carrying amount of those financial assets or liabilities.

In calculating the effective interest rate, all fees paid, transaction costs, and discounts or premiums that form an integral part of the interest rate are taken into account. Transaction costs are costs that can be directly attributed to the acquisition, use, or disposal of the financial asset or liability, and increase the cost of the asset or liability.

Interest income and expenses presented in the income statement include interest calculated using the effective interest rate on financial assets and liabilities.

- Foreign exchange gains and losses are presented under finance income and expenses in the income statement.

3.12. Tax

The Tax Procedure Law No. 213, the Law No. 6183 on the Procedure for the Collection of Public Receivables, Income Tax Law No. 193, the repealed Corporate Tax Law No. 5520, and the Law No. 6009 dated 25 May 1995, regarding Amendments to the Value Added Tax Law No. 3065 were published in the Official Gazette dated 2 June 1995, and came into effect. According to this law, institutions "established solely to provide credit guarantees within the scope of financial and technical cooperation agreements made with foreign countries or international financial institutions, which add the income earned from these activities to guarantee responsibility funds and invest the funds they own in lending banks and institutions without distributing them to their shareholders" are exempt from corporate tax according to Article 4, paragraph 1 (I)(b) of the Corporate Tax Law (as amended by Article 4 of Law No. 6009). The company is exempt from corporate tax within this scope.

According to Article 17/4-e of the Value Added Tax Law, the credit guarantee service provided by institutions specified in Article 7(24) of the repealed Corporate Tax Law No. 5422 and Article 4(I) of the new Corporate Tax Law No. 5520 is exempt from value-added tax.
With Article 29 of Law No. 4842 regarding Amendments to Certain Laws, the documents issued for transactions related to credit guarantees of the institutions mentioned in Article 7(24) of the Corporate Tax Law have been exempted from stamp tax according to paragraph 22 added to Section V - Papers Related to Institutions in Table (2) annexed to the Stamp Tax Law No. 488.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12. Tax (cont'd)

Transfer Pricing

Article 13 of the Corporate Tax Law covers transfer pricing under the title "disguised profit distribution through transfer pricing," and the details regarding this matter are outlined in the "General Communiqué on Disguised Profit Distribution through Transfer Pricing" published on 18 November 2007.

According to the related communiqué, if taxpayers do not price their transactions of goods, services, or products with related parties and individuals in accordance with the arm's length principle, it will be concluded that the resulting income has been distributed covertly through transfer pricing. Such disguised profit distributions through transfer pricing will not be deductible from the corporate tax base.

3.13. Cash flow statement

In the cash flow statement, cash flows for the period are classified and reported based on operating, investing, and financing activities.

- Cash flows from operating activities represent cash flows generated from the Company's core operations. Cash flows related to investing activities show the cash used and received by the Company in its investing activities (fixed and financial investments). Cash flows related to financing activities reflect the sources of funds used by the Company in financing activities and the repayments of those funds.

3.14. Disclosures on leased assets

Company as lessee

At the commencement of a contract, the Company assesses whether the contract is or contains a lease. A contract is considered a lease or contains a lease if it transfers the right to control the use of an identified asset for a period in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability in its financial statements at the date the lease commences.

When evaluating whether a contract conveys the right to control the use of an identified asset for a period, the Company considers the following criteria:

1) The contract involves an identified asset; an asset is typically explicitly or implicitly specified in the contract.

2) The asset is physically distinct or represents substantially all of the capacity of the asset.

3) The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14. Disclosures on leased assets (cont'd)

4) The Company has the right to direct the use of the identified asset. The Company is deemed to have the right to direct the use of the asset if any of the following conditions exist:

a) The Company has the right to decide how and for what purpose the asset is used throughout the period of use, or
b) Decisions about how and for what purpose the asset is used have been predetermined:

i) The Company has the right to operate the asset throughout the period of use (or to direct others to operate it in a way the Company determines), and the supplier does not have the right to change these operating instructions; or
j) The Company has designed the asset (or certain features of it) to predetermine how and for what purpose it will be used throughout the period of use.

Right-of-use asset

The right-of-use asset is initially recognized using the cost model adjusted for inflation and includes:
1) The initial measurement amount of the lease liability,
2) The amount obtained after deducting all lease incentives received from lease payments made on or before the commencement date of the lease,
3) All initial direct costs incurred by the company, and
4) Costs incurred by the Company to restore the underlying asset to the condition required by the lease terms and conditions.

When applying the cost model, the Company measures the right-of-use asset at:

1) Cost less accumulated depreciation and accumulated impairment losses, and
2) Adjusted cost based on the remeasurement of the lease liability.

When amortizing the right-of-use asset, the Company applies the depreciation provisions set out in TAS 16 Property, Plant and Equipment standard. If the supplier transfers ownership of the underlying asset to the Company at the end of the lease term or if the right-of-use asset cost reflects that the Company will exercise a purchase option, the Company amortizes the right-of-use asset from the commencement date of the lease over the useful life of the underlying asset. Otherwise, the Company amortizes the right-of-use asset from the commencement date of the lease over the shorter of the asset's useful life or the lease term.

The Company applies TAS 36 Impairment of Assets standard to determine whether the right-of-use asset is impaired and to recognize any impairment loss identified.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leasing liability

At the commencement date of the lease, the Company measures the lease liability at the present value of lease payments not yet paid as of that date. Lease payments are discounted using the implicit interest rate in the lease if it can be readily determined; if not, the Company uses its incremental borrowing rate.

The lease payments included in the measurement of the lease liability that have not yet occurred as of the commencement date consist of:

1) Fixed payments less any lease incentives receivable,
2) Lease payments based on an index or rate, initially measured using the index or rate at the commencement date,
3) The exercise price of a purchase option if the Company is reasonably certain to exercise that option,
k) Penalty payments for terminating the lease if the Group is reasonably certain to exercise an option to terminate early.

After the commencement date, the Company measures the lease liability by:

1) Increasing the carrying amount to reflect interest on the lease liability,
2) Reducing the carrying amount to reflect lease payments made,
3) Remeasuring the carrying amount to reflect any reassessments or modifications. The Company recognizes the amount of any remeasurement of the lease liability as an adjustment to the right-of-use asset in its financial statements.

Extension and early termination options

The lease liability considers extension and early termination options in the contracts. Most of the extension and early termination options in the contracts consist of options that can be applied jointly by the Company and the lessor. The Company determines the lease term by including extension and early termination options in the lease term if these options are at the Company's discretion and their exercise is reasonably certain according to the relevant contract. If significant changes occur in the conditions, the evaluation is reviewed by the Company.

Practical expedients

Lease agreements with a lease term of 12 months or less, as well as leases of information technology equipment classified by the Company as low-value, have been evaluated within the scope of the exception recognized by the TFRS 16 Leases Standard, and payments for these contracts continue to be accounted for as expenses in the period in which they are incurred.

Company - as lessor

The Company does not have any assets subject to lease as a lessor.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15. Events after the reporting period

Events after the statement of financial position date include all events occurring between the statement of financial position date and the date the financial statements are authorized for issue, even if such events arise after any announcement of profit or other selected financial information to the public.

If events requiring adjustment occur after the statement of financial position date, the Company adjusts the amounts recognized in the financial statements to reflect the new conditions. Non-adjusting events arising after the statement of financial position date are disclosed in the notes to the financial statements if they are considered to affect the economic decisions of the users of the financial statements.

3.16. 3 Significant accounting estimates and assumptions

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities, and the reported amounts of income and expenses during the reporting period. Although these estimates and assumptions are based on the Company management's best knowledge of current events and transactions, actual results may differ from these estimates. Significant estimates used are explained in Footnote 3.3.e related to Expected Credit Losses.

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NOTE 4 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Cash	-	-
Banks	9,620,444,102	9,708,512,107
- Demand deposit	*5,035*	*10,151*
-Time deposit	*9,620,439,067*	*9,708,501,956*
Provisions for expected credit loss	(4,946,051)	(20,350,136)
Money market fund	51,343,227	-
Banks in treasury operations	153,473,105	41,635,191
Total	**9,820,314,383**	**9,729,797,162**

As of 31 December 2024, the average maturity of Turkish Lira time deposits in domestic banks was 32 days, with an average interest rate of 50.12% (31 December 2023: 46.29%).

As of 31 December 2024, there were no blocked balances on deposit accounts (31 December 2023: none).

In the Company's statements of cash flows as of 31 December 2024 and 31 December 2023, cash and cash equivalents are presented by deducting interest accruals from cash and cash equivalents and adding provisions for expected credit loss.

	31 December 2024	31 December 2023
Cash and cash equivalents	9,820,314,383	9,729,797,162
Provisions for expected credit loss	4,946,051	20,350,136
Interest accruals (-)	(495,979,508)	(362,338,224)
Cash and cash equivalents in the cash flow statement	**9,329,280,926**	**9,387,809,074**

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NOTE 5 - FINANCIAL INVESTMENTS

As of 31 December 2024, the financial assets measured at historical cost are as follows:

	31 December 2024	31 December 2023
Subsidiaries	4,040,497,216	941,795,720
Total	**4,040,497,216**	**941,795,720**

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

As of 31 December 2024 and 31 December 2023, the Company's trade receivables are as follows:

Short-term trade receivables	31 December 2024	31 December 2023
Customers	141,000	69,907
Income accruals	-	-
Doubtful trade receivables	12,344,870	4,863,345
Provision for doubtful trade receivables (-)	(12,344,870)	(4,863,345)
Total	**141,000**	**69,907**

b) Trade payables

As of 31 December 2024 and 31 December 2023, the Company's trade payables are as follows:

Short-term trade payables	31 December 2024	31 December 2023
Suppliers	24,455,409	40,586,683
Expense accruals	143,164	-
Other trade payables	43,910	76,769
Total	**24,642,483**	**40,663,452**

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NOTE 7- OTHER RECEIVABLES AND PAYABLES

a) Other receivables

Other short-term receivables	31 December 2024	31 December 2023
Advances given for purchase orders	30,800	-
Receivables from personnel	1,130	105,014
Other receivables	27,695	4,011
Total	**59,625**	**109,025**

b) Other payables

Other short-term payables	31 December 2024	31 December 2023
Payables to the Treasury	153,455,002	41,635,191
Taxes and funds payable	2,278,934	1,910,896
Private pension deductions payable	7,324	4,357
Other miscellaneous payables	37,500	54,145
Total	**155,778,760**	**43,604,589**

Bank Loans	31 December 2024	31 December 2023
Bank Loans	3,268,415	-
Total	**3,268,415**	-

NOTE 8 - PREPAID EXPENSES

Short-term prepaid expenses	31 December 2024	31 December 2023
Prepaid expenses for future months	3,985,299	22,914,853
Total	**3,985,299**	**22,914,853**

Long-term prepaid expenses	31 December 2024	31 December 2023
Prepaid expenses for future years	-	18,159
Total	**-**	**18,159**

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 9 - PROPERTY, PLANT, AND EQUIPMENT

	Fixtures and fittings	Leasehold improvements	Vehicles	Total
Cost Value				
Opening balance as of 1 January 2024	5,630,692	319,280	-	**5,949,972**
Additions	261,442	-	4,500,000	**4,761,442**
Disposals	484,124	-	-	**(484,124)**
Closing balance as of 31 December 2024	**5,408,010**	**319,280**	**4,500,000**	**10,227,290**
Accumulated Depreciations				
Opening balance as of 1 January 2024	(2,318,246)	(317,453)	-	**(2,635,699)**
Expense for the period	(1,324,465)	(531)	(75,000)	**(1,399,996)**
Disposals	355,742	-	-	**355,742**
Closing balance as of 31 December 2024	**(3,286,969)**	**(317,984)**	**(75,000)**	**(3,679,953)**
Net carrying amount as of 31 December 2024	**2,121,041**	**1,296**	**4,425,000**	**6,547,337**
Net carrying amount as of1 January 2024	**3,312,446**	**1,827**	**-**	**3,314,273**

	Fixtures and fittings	Leasehold improvements	Total
Cost Value			
Opening balance as of 1 January 2023	4,783,913	319,280	**5,103,193**
Additions	846,779	-	**846,779**
Closing balance as of 31 December 2023	**5,630,692**	**319,280**	**5,949,972**
Accumulated Depreciations			
Opening balance as of 1 January 2023	(1,020,936)	(158,322)	**(1,179,258)**
Expense for the period	(1,297,310)	(159,131)	**(1,456,441)**
Closing balance as of 31 December 2023	**(2,318,246)**	**(317,453)**	**(2,635,699)**
Net carrying amount as of 31 December 2023	**3,312,446**	**1,827**	**3,314,273**
Net carrying amount as of 1 January 2023	**3,762,977**	**160,958**	**3,923,935**

As of 31 December 2024 and 2023, the entire depreciation expense is recorded under the "Cost of Sales" account in the income statement. As of December 31, 2024 and 2023, there are no mortgages on the tangible assets.

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NOTE 10 - INTANGIBLE ASSETS

	Rights	Total
Cost Value		
Opening balance as of 1 January 2024	81,317,170	**81,317,170**
Additions	21,914,559	**21,914,559**
Closing balance as of 31 December 2024	**103,231,729**	**103,231,729**
Accumulated Amortizations		
Opening balance as of 1 January 2024	(19,472,772)	**(19,472,772)**
Expense for the period	(29,162,898)	**(29,162,898)**
Closing balance as of 31 December 2024	**(48,635,670)**	**(48,635,670)**
Net carrying amount as of 31 December 2024	**54,596,059**	**54,596,059**
Net carrying amount as of 1 January 2024	**61,844,398**	**61,844,398**

	Rights	Total
Cost Value		
Opening balance as of 1 January 2023	32,455,529	**32,455,529**
Additions	48,861,641	**48,861,641**
Closing balance as of 31 December 2023	**81,317,170**	**81,317,170**
Accumulated Amortizations		
Opening balance as of 1 January 2023	(2,157,583)	**(2,157,583)**
Expense for the period	(17,315,189)	**(17,315,189)**
Closing balance as of 31 December 2023	**(19,472,772)**	**(19,472,772)**
Net carrying amount as of 31 December 2023	**61,844,398**	**61,844,398**
Net carrying amount as of 1 January 2023	**30,297,946**	**30,297,946**

As of 31 December 2024 and 2023, the entire amortization expense is recorded under the "Cost of Sales" account in the income statement.

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NOTE 11 - RIGHTS-OF-USE ASSETS

Cost Value	1 January 2024	Additions/Disposals (-)	31 December 2024
Buildings	18,980,722	2,870,838	21,851,560
Vehicles	12,391,068	-	12,391,068
Total	**31,371,790**	**2,870,838**	**34,242,628**
Accumulated depreciation	**1 January 2024**	**Additions/Disposals (-)**	**31 December 2024**
Buildings	(7,128,290)	(4,521,091)	(11,649,381)
Vehicles	(7,356,171)	(5,034,898)	(12,391,069)
Total	**(14,484,461)**	**(9,555,989)**	**(24,040,450)**
Net carrying amount	**16,887,329**		**10,202,178**

Cost Value	1 January 2023	Additions/Disposals (-)	31 December 2023
Buildings	17,820,730	1,159,992	18,980,722
Vehicles	2,142,911	10,248,157	12,391,068
Total	**19,963,641**	**11,408,149**	**31,371,790**
Accumulated depreciation	**1 January 2023**	**Additions/Disposals (-)**	**31 December 2023**
Buildings	(3,564,144)	(3,564,146)	(7,128,290)
Vehicles	(1,556,383)	(5,799,789)	(7,356,172)
Total	**(5,120,527)**	**(9,363,935)**	**(14,484,462)**
Net carrying amount	**14,843,114**		**16,887,328**

As of 31 December 2024 and 2023, the Company's lease liabilities are as follows:

	31 December 2024	31 December 2023
Liabilities from short-term leasing transactions	7,410,127	4,072,114
Liabilities from long-term leasing transactions	5,067,488	7,316,377
Total	**12,477,615**	**11,388,491**

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NOTE 11 - RIGHTS-OF-USE ASSETS (cont'd)

Presentation of lease investments by remaining maturity:

	Current Period		Previous Period	
	Gross	**Net**	**Gross**	**Net**
Less than 1 year	8,447,545	7,410,127	4,605,561	4,072,114
1 - 5 years	6,689,084	5,067,488	8,413,834	7,316,377
More than 5 years	-	-	-	-
Total	**15,136,629**	**12,477,615**	**13,019,395**	**11,388,491**

NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS

a) Payables within the scope of short-term employee benefits

	31 December 2024	31 December 2023
Social security premiums payable	1,411,477	1,363,164
Payables to personnel	10,540	2,785
Total	**1,422,017**	**1,365,949**

b) Short-term provisions for employee benefits

	31 December 2024	31 December 2023
Provision for premiums	10,148,799	24,500,376
Provisions for unused leaves	2,180,942	2,328,437
Total	**12,329,741**	**26,828,813**

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NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS (cont'd)

b) Short-term provisions for employee benefits (cont'd)

Provision for leaves

According to the applicable labor law in Türkiye, the Company is obligated to pay to employees or their beneficiaries the wages related to unused annual leave entitlements earned by employees if the employment contract is terminated for any reason, calculated based on the salary at the termination date of the contract.

The movements of the leave provision for the years ended 31 December 2024 and 31 December 2023 are as follows:

	1 January - 31 December 2024	**1 January - 31 December 2023**
Opening balance	2,328,437	742,508
Earned/used (net)	652,210	2,400,938
Monetary loss (gain)	(799,705)	(815,009)
Closing balance as of December 31	**2,180,942**	**2,328,437**

Provision for premiums

The movements of the premium provision for the years ended 31 December 2024 and 31 December 2023 are as follows:

	1 January - 31 December 2024	**1 January - 31 December 2023**
Opening balance	24,500,376	-
Earned/(paid) (net)	(7,828,978)	31,177,074
Monetary loss (gain)	(6,522,599)	(6,676,698)
Closing balance as of December 31	**10,148,799**	**24,500,376**

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NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS (cont'd)

c) Long-term provisions for employee benefits

	31 December 2024	31 December 2023
Provisions for severance pay	973,399	1,696,412
Total	**973,399**	**1,696,412**

Under the provisions of the Labor Law in force in Türkiye, the Company has an obligation to pay statutory severance pay to employees whose employment contracts are terminated and who qualify for severance pay. Additionally, pursuant to Article 60 of the Social Insurance Law No. 506, as amended by Law No. 2422 dated 6 March 1981, and Law No. 4447 dated 25 August 1999, the Company is also obliged to pay statutory severance to those employees who have earned the right to severance pay upon termination of employment. Some transitional provisions related to pre-retirement service requirements were excluded from the Law by amendments dated 23 May 2002.

According to the current labor law in Türkiye, the Company is obliged to pay certain amounts to employees who have completed at least 1 year of service and leave the company due to retirement, military service, or death. The provision for severance pay represents the present value of the Company's estimated future probable obligation in case its employees retire, calculated on the basis of 30 days' salary. This provision is calculated assuming that all employees are subject to such payments and is reflected on an accrual basis in the financial statements. The provision for severance pay is calculated based on the severance pay ceiling announced by the Government. As of 31 December 2024, the severance pay ceiling is TRY 46,655.43 (31 December 2023: TRY 35,058.58).

Since the severance pay liability is not mandatory, it is not subject to any funding.

The severance pay liability is calculated based on the present value of the Company's estimated future probable obligation arising from the retirement of its employees. TAS 19 "Employee Benefits" requires that the enterprise's obligations be calculated using actuarial valuation methods within the scope of defined benefit plans.

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NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS (cont'd)

c) Long-term provisions for employee benefits (cont'd)

The movement of the severance pay liability for the current period is explained below:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	1,696,412	205,821
Current period effect	1,042,068	1,829,544
Interest cost	361,815	629,010
Severance payment made	(337,019)	-
Actuarial loss / gain	(1,449,089)	(351,376)
Monetary loss / (gain)	(340,788)	(616,587)
Closing balance as of December 31	**973,399**	**1,696,412**

The actuarial assumptions used in the calculation of total liabilities are stated below. Actuarial losses / (gains) are recognized in the comprehensive income statement under "Defined Benefit Plans Re-measurement Gains/Losses".

The main assumption is that the maximum liability per service year increases in line with inflation. Therefore, the discount rate applied represents the expected real interest rate adjusted for future inflation effects. As of 31 December 2024 and 31 December 2023, the liabilities in the attached financial statements are calculated by estimating the present value of future probable obligations arising from employees' retirement.

	31 December 2024	31 December 2023
Net discount rate	2.98%	1.57%
Rate used with respect to probability of retirement	100%	100%

d) Other short-term provisions

Other short-term provisions	31 December 2024	31 December 2023
Provision for expected credit loss	68,269,839	57,009,264
Total	**68,269,839**	**57,009,264**

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NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS (cont'd)

d) Other short-term provisions (cont'd)

The movement of the provision for expected credit losses for the current period is explained below:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	57,009,267	-
Provision expense for the current period (net)	33,038,880	72,891,055
Monetary loss (gain)	(21,778,308)	(15,881,791)
Closing balance as of December 31	**68,269,839**	**57,009,264**

NOTE 13 - OTHER ASSETS AND LIABILITIES

a) Other current assets

Other current assets	31 December 2024	31 December 2023
VAT Carried Forward	145,909	272,458
Personnel advances	80,000	-
Total	**225,909**	**272,458**

NOTE 14 - DEFERRED INCOMES

	31 December 2024	31 December 2023
Deferred income (*)	356,884,305	608,276,854
Total	**356,884,305**	**608,276,854**

(*) Represents commission income collected in advance by the Company for future periods.

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NOTE 15 - EQUITY

a) Paid-up capital

As of 31 December 2024 and 31 December 2023, the shareholding structure of the Company is as follows:

	Share ratio (%)		Share amount (TRY)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
EXPORTERS' ASSOCIATIONS	77.30	74.98	6,278,278,443	3,602,482,540
BANKS	12.62	14.04	1,024,948,695	674,610,213
TÜRKİYE EXPORTERS ASSEMBLY	5.08	5.98	412,369,898	287,265,673
TÜRK EXIMBANK A.Ş.	5.00	5.00	406,084,054	240,229,391
Paid-up Capital *	**100**	**100**	**8,121,681,090**	**4,804,587,817**
Capital adjustment differences			8,756,752,413	8,288,457,536
Total			**16,878,433,503**	**13,093,045,353**

31 December 2024	Shareholding Ratio (%)	Group A	Group B	Group C	Group D	Total
TÜRKİYE EXPORTERS ASSEMBLY	5.08	412,369,898				**412,369,898**
TÜRK EXIMBANK A.Ş.	5.00		406,084,054			**406,084,054**
EXPORTERS' ASSOCIATIONS	77.30			6,278,278,443		**6,278,278,443**
BANKS	12.62				1,024,948,695	**1,024,948,695**
Nominal Capital	**100**	**412,369,898**	**406,084,054**	**6,278,278,443**	**1,024,948,695**	**8,121,681,090**

Of the current period capital increase, TRY 1,677,828,686 corresponds to external source cash capital increase. And TRY 2,107,559,465 corresponds to internal source capital increase.

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NOTE 15 - EQUITY (cont'd)

a) Paid-up capital (cont'd)

31 December 2023	Shareholding Ratio (%)	Group A	Group B	Group C	Group D	Total
TÜRKİYE EXPORTERS ASSEMBLY	5.98	287,265,673				**287,265,673**
TÜRK EXIMBANK A.Ş.	5.00		240,229,391			**240,229,391**
EXPORTERS' ASSOCIATIONS	74.98			3,602,482,540		**3,602,482,540**
BANKS	14.04				674,610,213	**674,610,213**
Nominal Capital	**100**	**287,265,673**	**240,229,391**	**3,602,482,540**	**674,610,213**	**4,804,587,817**

The Company's issued capital is divided into a total of 8,121,681,090 shares, all registered shares, with a nominal value of 1.00 Turkish Lira each, consisting of 412,369,898 Class A shares, 406,084,054 Class B shares, 6,278,278,442 Class C shares, and 1,024,948,695 Class D shares, with a total nominal value of TRY 121,681,090.

In the 9-member Board of Directors, 1 member is elected by the General Assembly from candidates proposed by Group A shareholders, 1 member from Group B shareholders, 2 members from Group C shareholders, and 1 member from Group D shareholders. According to Article 334 of the Turkish Commercial Code, 3 members of the Board of Directors are appointed by the Ministry of Trade, and 1 member is appointed by the Ministry of Treasury and Finance.

The Company's shareholding structure at the company level is as follows:

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
TÜRKİYE EXPORTERS ASSEMBLY	412,369,898	5.08	A

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
EXIMBANK	406,084,054	5.00	B

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
TÜRKİYE EXPORTERS ASSEMBLY	412,369,898	5.08	A
EXIMBANK	406,084,054	5.00	B
Total	**818,453,952**	**10.08**	

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NOTE 15 - EQUITY (cont'd)

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
ULUDAĞ AUTOMOTIVE INDUSTRY EXPORTERS' ASSOCIATION	557,213,916	6.86%	C
ISTANBUL CHEMICALS AND PRODUCTS EXPORTERS' ASSOCIATION	397,939,475	4.90%	C
ISTANBUL APPAREL EXPORTERS' ASSOCIATION	343,665,239	4.23%	C
SERVICES EXPORTERS' ASSOCIATION	252,646,562	3.11%	C
ELECTRICAL AND ELECTRONICS EXPORTERS' ASSOCIATION	252,085,896	3.10%	C
ISTANBUL FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	239,153,743	2.94%	C
STEEL EXPORTERS' ASSOCIATION	234,548,803	2.89%	C
MEDITERRANEAN CHEMICALS AND PRODUCTS EXPORTERS' ASSOCIATION	225,610,449	2.78%	C
T.C. ZİRAAT BANKASI A.Ş.	194,742,471	2.40%	D
TÜRKİYE VAKIFLAR BANKASI T.A.O	194,742,468	2.40%	D
ISTANBUL FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	192,256,685	2.37%	C
MEDITERRANEAN FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	168,828,825	2.08%	C
CEMENT AND CLAY PRODUCTS EXPORTERS' ASSOCIATION	163,539,401	2.01%	C
ISTANBUL TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	153,237,479	1.89%	C
ISTANBUL MINERAL EXPORTERS' ASSOCIATION	144,923,582	1.78%	C
MACHINERY AND ACCESSORIES EXPORTERS' ASSOCIATION	137,907,973	1.70%	C
SOUTHEAST ANATOLIAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	137,451,787	1.69%	C
ISTANBUL CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	128,388,590	1.58%	C
SOUTHEAST ANATOLIAN CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION B	126,274,641	1.55%	C
MEDITERRANEAN CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	126,014,451	1.55%	C
DENIZLI EXPORTERS' ASSOCIATION	120,687,675	1.49%	C
MEDITERRANEAN FRESH FRUIT AND VEGETABLE EXPORTERS' ASSOCIATION	119,238,860	1.47%	C
AEGEAN FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	105,773,159	1.30%	C
MEDITERRANEAN FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	96,948,323	1.19%	C
EASTERN ANATOLIAN EXPORTERS' ASSOCIATION	90,449,298	1.11%	C
YAPI KREDİ BANKASI A.Ş.	77,111,469	0.95%	D
AKBANK T.A.Ş.	77,111,469	0.95%	D
T.GARANTİ BANKASI A.Ş.	77,111,469	0.95%	D
TÜRKİYE İŞ BANKASI A.Ş.	77,111,469	0.95%	D
T.HALKBANKASI A.Ş.	73,304,018	0.90%	D
WEST MEDITERRANEAN EXPORTERS' ASSOCIATION	69,083,207	0.85%	C
MEDITERRANEAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	68,534,341	0.84%	C
BLACK SEA HAZELNUT AND PRODUCTS EXPORTERS' ASSOCIATION	67,131,184	0.83%	C
AEGEAN MINERAL EXPORTERS' ASSOCIATION	63,341,394	0.78%	C
JEWELRY EXPORTERS' ASSOCIATION	62,678,210	0.77%	C
ULUDAĞ APPAREL EXPORTERS' ASSOCIATION	60,277,401	0.74%	C
AEGEAN TOBACCO EXPORTERS' ASSOCIATION	59,546,803	0.73%	C
CENTRAL ANATOLIAN FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	57,870,483	0.71%	C

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NOTE 15 - EQUITY (cont'd)

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
ISTANBUL LEATHER AND LEATHER PRODUCTS EXPORTERS' ASSOCIATION	56,722,436	0.70%	C
CENTRAL ANATOLIAN CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	55,846,082	0.69%	C
ISTANBUL FISHERIES AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	55,817,734	0.69%	C
AEGEAN FISHERIES AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	54,977,334	0.68%	C
SHIP, YACHT, AND MARINE SERVICES EXPORTERS' ASSOCIATION	53,022,309	0.65%	C
SOUTHEAST ANATOLIAN CARPET EXPORTERS' ASSOCIATION	52,903,556	0.65%	C
DEFENSE INDUSTRY EXPORTERS' ASSOCIATION	51,740,086	0.64%	C
ZİRAAT KATILIM BANKASI A.Ş.	49,141,567	0.61%	D
AIR CONDITIONING INDUSTRY EXPORTERS' ASSOCIATION	48,413,750	0.60%	C
AEGEAN FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	47,717,241	0.59%	C
MEDITERRANEAN APPAREL EXPORTERS' ASSOCIATION	47,565,964	0.59%	C
AEGEAN APPAREL EXPORTERS' ASSOCIATION	47,177,458	0.58%	C
ULUDAĞ TEXTILE EXPORTERS' ASSOCIATION	47,159,103	0.58%	C
EASTERN BLACK SEA EXPORTERS' ASSOCIATION	46,583,650	0.57%	C
ANKARA FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	45,349,515	0.56%	C
AEGEAN CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	44,784,343	0.55%	C
ISTANBUL CARPET EXPORTERS' ASSOCIATION	42,499,939	0.52%	C
ISTANBUL DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	42,461,572	0.52%	C
AEGEAN FRESH FRUIT AND VEGETABLE EXPORTERS' ASSOCIATION	41,732,027	0.51%	C
AEGEAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	40,484,057	0.50%	C
ISTANBUL HAZELNUT AND HAZELNUT PRODUCTS EXPORTERS' ASSOCIATION	38,698,265	0.48%	C
ULUDAĞ FRUIT AND VEGETABLE PRODUCTS EXPORTERS' ASSOCIATION	38,073,407	0.47%	C
ISTANBUL FRESH FRUITS AND VEGETABLES EXPORTERS' ASSOCIATION	38,030,700	0.47%	C
MEDITERRANEAN FISHERIES AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	32,991,165	0.41%	C
AEGEAN OLIVE AND OLIVE OIL EXPORTERS' ASSOCIATION	32,498,355	0.40%	C
BLACK SEA CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	30,899,590	0.38%	C
TÜRK EKONOMİ BANKASI A.Ş.	29,025,926	0.36%	D
KUVEYT TÜRK KATILIM BANKASI A.Ş.	29,025,926	0.36%	D
ING BANK A.Ş.	29,025,926	0.36%	D
QNB FİNANSBANK A.Ş.	29,025,926	0.36%	D
TÜRKİYE FİNANS KATILIM BANKASI A.Ş.	29,025,926	0.36%	D
SOUTHEAST ANATOLIAN DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	28,762,311	0.35%	C
ULUDAĞ FRESH FRUIT AND VEGETABLE EXPORTERS' ASSOCIATION	25,087,604	0.31%	C
AEGEAN LEATHER AND LEATHER PRODUCTS EXPORTERS' ASSOCIATION	23,727,745	0.29%	C
ISTANBUL DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	22,659,157	0.28%	C
ORNAMENTAL PLANTS AND PRODUCTS EXPORTERS' ASSOCIATION	20,644,153	0.25%	C
ODEA BANK A.Ş.	14,655,706	0.18%	D
ŞEKERBANK T.A.Ş.	11,749,395	0.14%	D
DENİZBANK A.Ş.	9,824,896	0.12%	D
ALTERNATİFBANK A.Ş.	5,803,167	0.07%	D
VAKIF KATILIM BANKASI A.Ş.	5,803,167	0.07%	D
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.	5,803,167	0.07%	D
ANADOLUBANK A.Ş.	5,803,167	0.07%	D
Total	**7,303,227,138**	**89.92%**	

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NOTE 15 - EQUITY (cont'd)

31 December 2024	(%)Shareholding Ratio	Total
TÜRKİYE EXPORTERS ASSEMBLY	5.08	**412,369,898**
TÜRK EXIMBANK A.Ş.	5.00	**406,084,054**
EXPORTERS' ASSOCIATIONS	77.30	**6,278,278,443**
BANKS	12.62	**1,024,948,695**
Nominal Capital	**100**	**8,121,681,090**

a) Reserves on retained earnings

	31 December 2024	31 December 2023
Legal reserves	262,643,946	132,975,219
Total	**262,643,946**	**132,975,219**

According to Article 519 of the Turkish Commercial Code, the general legal reserve is allocated at a rate of 5% of the annual profit until it reaches 20% of the Company's paid-up capital. After this limit is reached, 10% of the portion of the profit distributed to shareholders exceeding a 5% dividend is added to the general legal reserve. According to the Turkish Commercial Code, as long as the general legal reserve does not exceed 50% of the capital or issued capital, it may only be used to offset losses, to maintain operations in times of financial difficulty, or to take measures to prevent unemployment or mitigate its consequences.

	31 December 2024	31 December 2023
Profits / (losses) from previous years	(6,522,690,499)	(3,388,361,164)
Total	**(6,522,690,499)**	**(3,388,361,164)**

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NOTE 16 - SALES AND COST OF SALES

a) Sales

	1 January - 31 December 2024	1 January - 31 December 2023
Commission income	273,222,540	982,366,582
Commission returns (-)	(5,187,149)	-
Other income	-	377,620
Net sales	**268,035,391**	**982,744,202**
Cost of sales (-)	(177,723,786)	(183,823,005)
Gross profit	**90,311,605**	**798,921,197**

b) Cost of sales

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	100,585,796	129,155,260
Depreciation and amortization expenses	39,763,141	28,135,565
Other expenses	37,374,849	26,532,180
Total	**177,723,786**	**183,823,005**

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NOTE 17 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

a) General administrative expenses

	1 January - 31 December 2024	1 January - 31 December 2023
General administrative expenses	19,981,945	14,976,875
Total	**19,981,945**	**14,976,875**

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	10,302,175	-
Consultancy expenses	6,055,082	6,437,731
Travel expenses	1,728,585	1,851,526
Operating expenses	432,762	3,262,928
Representation and entertainment expenses	166,103	79,618
Tax, duty and fee expenses	41,164	45,674
Insurance expenses	22,945	2,945,022
Other	1,233,129	354,376
Total	**19,981,945**	**14,976,875**

b) Marketing expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Marketing expenses	5,737,154	5,426,254
Total	**5,737,154**	**5,426,254**

	1 January - 31 December 2024	1 January - 31 December 2023
Meeting expenses	3,780,142	3,176,220
Promotion and printed materials	1,153,127	722,714
Agency expenses	803,885	1,527,320
Total	**5,737,154**	**5,426,254**

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NOTE 18 – OPERATING INCOME / (EXPENSES)

a) Other operating income

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange profits	5,185,939	5,071,008
Provisions no longer required	-	879,414
Total	**5,185,939**	**5,950,422**

b) Other operating expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Provision expenses	(29,855,076)	(31,068,087)
Miscellaneous expenses (*)	(25,369,210)	(277,942,809)
Total	**(55,224,286)**	**(309,010,896)**

(*) Out of the balance of miscellaneous expenses for the year 2023, TRY 144,378,771 consists of grants for the earthquake that occurred on 6 February 2023.

NOTE 19 – FINANCIAL INCOMES AND EXPENSES

a) Financing income

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	4,969,864,217	3,573,048,323
Exchange difference income	-	7,419,085
Total	**4,969,864,217**	**3,580,467,408**

b) Financing expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Interest expense	996,012	2,030,786
Total	**996,012**	**2,030,786**

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NOTE 20 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS

Capital management

The Company aims to increase its profit by maintaining a balance between ensuring the continuity of its operations and using the debt and equity balance in the most efficient way in capital management. The Company's capital structure consists of cash and cash equivalents and equity items disclosed in the equity footnote, including issued capital, capital reserves, and retained earnings. The risks associated with each class of capital, along with the Company's cost of capital, are evaluated by the Company's senior management. The Company monitors capital using the debt/equity ratio. This ratio is calculated by dividing net debt by total equity. Net debt is calculated by deducting cash and cash equivalents from the total borrowings (as presented in the financial position statement, including financial liabilities, trade and other payables, and short- and long-term other liabilities). However, the Company does not have any financial debt.

	31 December 2024	31 December 2023
Total liabilities	**637,883,812**	**790,883,010**
Less: Cash and cash equivalents (Note 4)	(9,820,314,383)	(9,729,797,162)
Net financial debt / (asset)	**(9,182,430,571)**	**(8,938,914,152)**
Total equity	**13,298,685,194**	**9,986,140,273**
Net Debt/Equity Ratio	**(69%)**	**(90%)**

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NOTE 20 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk

As of 31 December 2024 and 2023, the maximum credit risk to which the Company is exposed is as follows:

	Trade Receivables		Other Receivables		Cash and Cash Equivalents
31 December 2024	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposits at Banks**
Maximum credit risk exposure as of reporting date (A+B+C+D)	**-**	**141,000**	**27,695**	**31,930**	**9,620,444,102**
- Portion of the maximum risk secured by collateral, etc.	-	-	-	-	-
A. Net carrying amount of financial assets not yet due or impaired	-	141,000	27,695	31,930	9,620,444,102
B. Carrying amount of financial assets past due but not impaired	-	-	-	-	-
C. Net carrying amounts of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	12,344,870	-	-	-
- Impairment (-)	-	(12,344,870)	-	-	-
D. Off-balance sheet items containing credit risk	-	22,466,340,060	-	-	-

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NOTE 20 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

	Trade Receivables		**Other Receivables**		**Cash and Cash Equivalents**
31 December 2023	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposits at Banks**
Maximum credit risk exposure as of reporting date (A+B+C+D)	**-**	**69,907**	**-**	**109,025**	**9,708,512,107**
- Portion of the maximum risk secured by collateral, etc.	-	-	-	-	-
A. Net carrying amount of financial assets not yet due or impaired	-	69,907	-	109,025	9,708,512,107
B. Carrying amount of financial assets past due but not impaired	-	-	-	-	-
C. Net carrying amounts of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	4,863,345	-	-	-
- Impairment (-)	-	(4,863,345)	-	-	-
D. Off-balance sheet items containing credit risk	-	31,132,744,584	-	-	-

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NOTE 20 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in meeting its obligations arising from financial liabilities. The Company's approach to liquidity management is to ensure that it has sufficient liquidity at all times to meet its obligations as they fall due, both under normal and stressed conditions, without incurring any loss. However, the Company does not have any financial debt except for lease liabilities.

The amounts shown in the table below represent the contractual undiscounted cash outflows as of 31 December 2024:

Non-derivative financial liabilities	Carrying amount	Contractual cash outflows	Up to 3 months	3-12 months	1-5 years
Lease liabilities	12,477,615	17,583,268	-	9,247,365	8,335,903
Trade payables	24,642,483	24,642,483	24,642,483	-	-
Payables within the scope of benefits provided to the employees	1,422,017	1,422,017	1,422,017	-	-
Other payables	155,778,760	155,778,760	155,778,760	-	-
Total	**194,320,875**	**199,426,528**	**181,843,260**	**9,247,365**	**8,335,903**

As of 31 December 2023, it is as follows:

Non-derivative financial liabilities	Carrying amount	Contractual cash outflows	Up to 3 months	3-12 months	1-5 years
Lease liabilities	11,388,491	15,148,490	3,823,667	4,606,210	6,718,613
Trade payables	40,663,452	40,663,452	40,663,452	-	-
Payables within the scope of benefits provided to the employees	1,365,949	1,365,949	1,365,949	-	-
Other payables	43,604,589	43,604,589	43,604,589	-	-
Total	**97,022,481**	**100,782,480**	**89,457,657**	**4,606,210**	**6,718,613**

The Company has no derivative financial liabilities as of 31 December 2024 and 31 December 2023.

Market risk

Market risk is the risk that changes in market prices such as interest rates, equity prices, foreign exchange rates, and credit spreads will affect the Company's income or the value of the financial instruments it holds. The Company manages this risk by balancing its interest rate-sensitive assets and liabilities.

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NOTE 20 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk

The Company is exposed to interest rate risk due to the impact of changes in interest rates on its interest-sensitive assets and liabilities.

As of 31 December 2024 and 31 December 2023, the Company does not have any financial assets or liabilities with variable interest rates, and the financial instruments with fixed interest components are presented below:

Fixed interest rate financial assets	**31 December 2024**	**31 December 2023**
Financial assets		
Cash and cash equivalents	9,820,314,383	9,729,797,162
Financial liabilities		
Leases	12,477,615	11,388,491
Loans	4,902,623	-

As of 31 December 2024 and 31 December 2023, the weighted average interest rates applied to financial assets are as follows:

	31 December 2024	**31 December 2023**
Financial assets		
Banks-time deposits (TRY)	50.34%	45.60%

As of 31 December 2024 and 31 December 2023, the weighted average interest rates applied to financial instruments are as follows:

	31 December 2024	**31 December 2023**
Financial instruments		
Treasury deposit status	48.69%	44.05%

As of 31 December 2024 and 31 December 2023, the average interest rates applied to financial liabilities are as follows:

	31 December 2024	**31 December 2023**
Financial liabilities		
Vehicle loans	2.8%	-
Leases	17.17%	9.94%

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 20 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Fair value of financial instruments

Fair value refers to the price at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The table below presents a comparative summary of the fair values and carrying amounts of financial assets and liabilities:

	31 December 2024		**31 December 2023**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets				
Cash and cash equivalents	9,820,314,383	9,820,314,383	9,729,797,162	9,729,797,162
Trade receivables	141,000	141,000	69,907	69,907
Other receivables	59,625	59,625	109,025	109,025
Financial liabilities				
Financial borrowings	17,583,268	17,583,268	11,437,677	11,437,677
Trade payables	24,642,483	24,642,483	40,663,452	40,663,452
Other payables	155,778,760	155,778,760	43,604,586	43,604,586
Payables within the scope of employee benefits	1,422,017	1,422,017	1,365,949	1,365,949

The following methods and assumptions have been used to estimate the fair value of each financial instrument where fair value determination is possible.

Due to their short-term nature, the carrying amounts of cash and cash equivalents are assumed to approximate their fair values. The carrying amounts of trade receivables, together with the related provisions, are expected to reflect their fair values.

Due to their short-term nature, the carrying amounts of trade and financial payables are assumed to approximate their fair values.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 21 – CONTINGENT LIABILITIES AND COMMITMENTS

	31 December 2024	31 December 2023
Allocated guarantee amount (*)	22,466,340,060	31,132,744,584
Total	**22,466,340,060**	**31,132,744,584**

(*) The Company provides guarantees to support financing needs of export companies in line with their credit requirements and reflects the expected credit loss provision in its financial statements in accordance with TFRS 9. The expected credit loss model is applied to financial assets measured at amortized cost (deposits at banks and financial investments measured at amortized cost) and additionally to allocated equity-collateralized guarantee risks.

NOTE 22 - FEES RELATED TO SERVICES RECEIVED FROM INDEPENDENT AUDITORS/INDEPENDENT AUDIT FIRMS

The Company's disclosure regarding the fees for services provided by independent audit firms, prepared in accordance with the POA Board Decision published in the repeated Official Gazette on 30 March 2021, and based on the preparation principles stated in the POA letter dated 19 August 2021, is as follows:

	2024	2023
Independent audit fee for the reporting period	2,760,000	2,093,492
Total	**2,760,000**	**2,093,492**

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 23 – DISCLOSURES ON NET MONETARY POSITION (GAINS)/LOSSES

	1 January - 31 December 2024
Financial Statement Items	**(2,701,248,519)**
Inventories	3,967
Prepaid expenses (current)	1,511,423
Financial investments	392,492,760
Property, plant and equipment	919,192
Intangible assets	18,123,921
Right-of-use assets	10,480,866
Deferred income (excluding liabilities from customer contracts) (current)	(17,949,401)
Paid-up capital	(4,492,801,120)
Premiums regarding shares	(321,284,860)
Actuarial gain/(loss) fund related to employee benefits	(103,418)
Restricted reserves allocated from profit	(74,710,471)
Profits/losses from previous years	1,782,068,622
Income Statement Items	**(651,659,974)**
Revenue	(106,440,781)
Cost of sales (-)	12,634,375
Marketing, sales and distribution expenses (-)	497,649
General administrative expenses (-)	2,179,454
Other operating income	(529,847)
Other operating expenses (-)	8,676,886
Income from investment activities	(68,715)
Financing income	(568,732,802)
Financing expenses (-)	123,807
Deferred tax income / (expense)	-
Other Comprehensive Income Statement Items	**(176,044)**
Defined Benefit Plan Re-measurement Earning (Losses)	(176,044)
NET MONETARY POSITION PROFIT / (LOSS)	**(3,353,084,537)**

NOTE 24 - EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

None.

İHRACATI GELİŞTİRME A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE FISCAL PERIOD BETWEEN 1 JANUARY – 31 DECEMBER 2024

KPMG Bağımsız Denetim ve
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CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

To the General Assembly of İhracatı Geliştirme Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of İhracatı Geliştirme Anonim Şirketi ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

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

KPMG

Key Audit Matters

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

Revenue recognition

Refer to Note 3.10 to the consolidated financial statements for summary of material accounting policies and significant accounting estimates and assumptions for revenue recognition.

The key audit matter	**How the matter was addressed in our audit**
The Group recognized revenue of TL 666,469,014 under "revenue" in its statement of profit or loss for the accounting period 1 January – 31 December 2024. Revenue recognition was identified as a key audit matter due to the significant amount of revenue in the consolidated financial statements, the diversity of transactions involved in determining the revenue amount, the high number of transactions, and the use of different methods and parameters in calculating revenue.	Our audit procedures in this area included the following: • We evaluated the compliance of the Company's management's accounting policies with IFRS. • We evaluated the Company's revenue process and evaluated the design, implementation, and operating effectiveness of management's internal controls over the revenue recognition process. • To assess the appropriate recognition of revenue, we tested the existence and accuracy of revenue using supporting documentation obtained on a transaction-by-transaction basis from a selected sample of transactions during the accounting period.

KPMG

IAS 29 - Financial Reporting in Hyperinflationary Economies

For details on the accounting policies and significant accounting principles used in IAS 29 - Financial Reporting in Hyperinflationary Economies, see Note 2.3.

The key audit matter	**How the matter was addressed in our audit**
Because the Group's functional currency (the Turkish Lira) was considered the currency of a hyperinflationary economy as of December 31, 2024, the Group applied "TAS 29 Financial Reporting in Hyperinflationary Economies." In accordance with TAS 29, the consolidated financial statements and prior period financial information were restated to reflect changes in the general purchasing power of the Turkish Lira and, as a result, are presented in terms of the purchasing power of the Turkish Lira as of the reporting date. Given the significant impact of TAS 29 on the Group's reported results and financial position, inflation accounting was determined as a key audit matter.	Our audit procedures in this area included the following: • The Company's relevant processes and accounting policies were reviewed. • Management's distinction between monetary and non-monetary items was assessed in accordance with IFRS. • The entries and indices used to ensure the completeness and accuracy of the calculations were tested. • The financial statements and related financial information restated in accordance with IAS 29 were tested.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

KPMG

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

· Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

· Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

· Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

KPMG

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

B) Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 of Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2024 and 31 December 2024, the Company's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak, SMMM
Partner

16 April 2025
İstanbul, Türkiye

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İHRACATI GELİŞTİRME A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

Assets	Notes	Current period Independently audited 31 December 2024	Previous period Independently audited 31 December 2023
Current assets		**14,160,410,146**	**10,102,627,886**
Cash and cash equivalents	4	14,029,947,682	10,067,685,358
Financial investments	5	45,088,067	2,878,913
Trade receivables	6	141,000	69,907
Other receivables	7	59,625	109,025
Prepaid expenses	8	28,193,665	31,612,229
Other current assets	13	56,980,107	272,454
Fixed assets		**4,243,010,740**	**1,166,886,930**
Trade receivables	6	2,451,651,641	-
Property, plant and equipment	9	269,572,857	69,659,013
Intangible assets	10	1,316,905,426	1,080,322,428
Right-of-use assets	11	204,880,816	16,887,330
Prepaid expenses	8	-	18,159
Total assets		**18,403,420,886**	**11,269,514,816**
Current liabilities		**4,803,370,601**	**783,088,779**
Short-term borrowings		3,911,036,760	49,186
- Other borrowings	7	*3,911,036,760*	*49,186*
Short-term portions of long-term borrowings		51,846,335	4,072,114
- Other borrowings		*1,634,208*	-
- Borrowings from leasing transactions	*11*	*50,212,127*	*4,072,114*
Trade payables	6	24,642,482	40,663,452
Payables within the scope of employee benefits	12	1,422,017	1,365,949
Other payables	7	155,778,761	43,604,588
Short-term provisions:		113,735,135	83,838,080
- Short term provisions for employee benefits	*12*	*23,851,013*	*26,828,813*
- Other short term provisions	*12*	*89,884,122*	*57,009,267*
Deferred income	14	406,947,858	608,276,857
Other current liabilities	13	137,961,253	1,218,553
Non-current liabilities		**475,566,310**	**350,181,934**
Long-term borrowings		145,093,625	7,316,377
- Borrowings from leasing transactions	*11*	*141,825,210*	*7,316,377*
- Bank Loans	*7*	*3,268,415*	-
Long-term provisions		9,116,950	14,525,909
- Long term provisions for employee benefits	*12*	*6,216,950*	*11,212,416*
- Other long-term provisions		*2,900,000*	*3,313,493*
Other payables	7	18,133,924	2,165,682
Deferred tax liability	21	303,221,811	326,173,966
Total liabilities		**5,278,936,911**	**1,133,270,713**
Equity		**13,124,483,975**	**10,136,244,103**
Parent's equity		**13,116,429,366**	**10,119,818,338**
Paid-up capital	15	8,121,681,090	4,804,587,817
Capital adjustment differences	15	8,756,752,413	8,288,457,536
Premiums regarding shares		1,045,245,551	1,045,245,551
Other comprehensive accumulated income or expenses not reclassified under profit or loss		2,201,012	248,610
- Actuarial (loss) gain related to employee benefits	*12*	*2,201,012*	*248,610*
Restricted reserves allocated from profit	15	262,643,946	132,975,219
Profits / (losses) from previous years	15	(6,388,924,583)	(3,388,361,167)
Net profit / (loss) for the period		1,316,829,937	(763,335,228)
Non-controlling interests		**8,054,609**	**16,425,765**
Total liabilities		**18,403,420,886**	**11,269,514,816**

Accompanying footnotes are integral parts of these consolidated financial statements.

İHRACATI GELİŞTİRME A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

		Current period	**Previous period**
		Independently audited	**Independently audited**
	Notes	**1 January - 31 December 2024**	**1 January - 31 December 2023**
Revenue	16	666,469,014	983,542,616
Cost of sales (-)	16	(253,441,255)	(183,823,002)
Gross profit		**413,027,759**	**799,719,614**
General administrative expenses (-)	17	(526,956,483)	(84,080,886)
Marketing expenses (-)	17	(5,737,154)	(5,442,136)
Other operating income	18	8,115,262	38,750,632
Other operating expenses (-)	18	(92,582,612)	(309,010,895)
Operating profit / (loss)		**(204,133,228)**	**439,936,329**
Income from investment activities		-	312,058,333
Operation profit/(loss) prior to financial expenses		**(204,133,228)**	**751,994,662**
Financing income	19	4,969,975,075	3,681,858,844
Financing expense (-)	19	(996,012)	(2,030,786)
Monetary loss / (gain)	24	(3,480,009,981)	(5,133,300,686)
Net profit / (loss) for the period		**1,284,835,854**	**(701,477,966)**
Tax expense / (income)		**23,602,956**	**(64,581,682)**
Tax expense for the period	20	-	(10,219,354)
Deferred tax expense	20	23,602,956	(54,362,328)
Net profit / (loss) for the period		**1,308,438,810**	**(766,059,648)**
Distribution of profit/loss for the period			
Non-controlling shares		(8,391,127)	(2,724,420)
Parent's shares		1,316,829,937	(763,335,228)
Profit / (loss) for the period		**1,308,438,810**	**(766,059,648)**
Other comprehensive income portion			
Defined benefit plans re-measurement losses	12	2,603,202	351,376
Defined benefit plans deferred tax effect		(650,800)	(87,844)
Other comprehensive income		**1,952,402**	**263,532**
Total comprehensive income/(expense)		**1,310,391,212**	**(765,796,116)**

Accompanying footnotes are integral parts of these consolidated financial statements.

İHRACATI GELİŞTİRME A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

						Accumulated other comprehensive income or expense not to be reclassified to profit or loss					
	Paid-up Capital	Capital Adjustment Difference	Premiums regarding Shares	Revaluation Surplus from Tangible Fixed Assets	Accumulated Re-Measurement Gains /Losses of Defined Benefit Plans	Restricted Reserves Allocated from Profit	Profits / (Losses) from Previous Years	Net Profit / (Loss) for the Period	Total Parent's Equity	Non-Controlling Shares	Total Equity
Balances as of 1 January 2023	**1,875,558,499**	**4,931,091,879**	**1,045,245,551**	**-**	**(14,922)**	**2,685,590,311**	**(8,820,527)**	**(1,131,551,711)**	**9,397,099,080**	**-**	**9,397,099,080**
Capital Increase	2,929,029,318	3,357,365,657	-	-	-	(2,681,049,128)	(2,119,554,893)	-	**1,485,790,954**	-	**1,485,790,954**
Net Profit /(Loss) for the Period	-	-	-	-	-	-	-	(763,335,228)	**(763,335,228)**	(2,724,420)	**(766,059,648)**
Other Comprehensive Income	-	-	-	-	263,532	-	-	-	**263,532**	-	**263,532**
Acquisition through business combination	-	-	-	-	-	-	-	-	**-**	19,150,185	**19,150,185**
Transfers	-	-	-	-	-	128,434,036	(1,259,985,747)	1,131,551,711	**-**	-	**-**
Balances reported as of 31 December 2023	**4,804,587,817**	**8,288,457,536**	**1,045,245,551**	**-**	**248,610**	**132,975,219**	**(3,388,361,167)**	**(763,335,228)**	**10,119,818,338**	**16,425,765**	**10,136,244,103**
Balances as of 1 January 2024	**4,804,587,817**	**8,288,457,536**	**1,045,245,551**	**-**	**248,610**	**132,975,219**	**(3,388,361,167)**	**(763,335,228)**	**10,119,818,338**	**16,425,765**	**10,136,244,103**
Capital Increase	3,317,093,273	468,294,877	-	-	-	-	(2,107,559,461)	-	**1,677,828,689**	**-**	**1,677,828,689**
Net Profit /(Loss) for the Period	-	-	-	-	-	-	-	1,316,829,937	**1,316,829,937**	(8,391,127)	**1,308,438,810**
Other Comprehensive Income	-	-	-	-	1,952,402	-	-	-	**1,952,402**	19,971	**1,972,373**
Transfers	-	-	-	-	-	129,668,727	(893,003,955)	763,335,228	**-**	-	**-**
Balances as of 31 December 2024	**8,121,681,090**	**8,756,752,413**	**1,045,245,551**	**-**	**2,201,012**	**262,643,946**	**(6,388,924,583)**	**1,316,829,937**	**13,116,429,366**	**8,054,609**	**13,124,483,975**

Accompanying footnotes are integral parts of these consolidated financial statements.

İHRACATI GELİŞTİRME A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

	Notes	Current period Independently audited 1 January - 31 December 2024	Previous period Independently audited 1 January - 31 December 2023
A. Cash flows from operating activities			
Net profit / (loss) for the period		**1,308,438,810**	**(766,059,648)**
Adjustments regarding depreciation and amortization expense	9,10,11	99,575,662	29,525,372
Bargain purchase gain		-	(312,058,333)
Premium provision adjustments		(3,333,607)	(31,177,074)
Adjustments related to provisions and written-off receivables	4,6,12	52,997,522	79,237,215
Adjustments related to tax expense/income	20	(23,602,956)	54,362,328
Adjustments related to severance pay	12	3,771,934	11,860,124
Interest income adjustment	19	(4,969,864,217)	(2,898,989,467)
Monetary loss / (gain)		3,903,243,281	3,891,300,936
Actual changes in operating capital			
Changes in trade receivables		(2,451,722,734)	(69,907)
Changes in other receivables		49,400	101,892
Change in pre-paid expenses		3,436,723	(11,525,285)
Change in financial investments		(42,209,154)	871,840,257
Change in deferred expenses		(201,328,999)	(785,773,828)
Changes in trade and other receivables		112,121,445	35,143,737
Change in payables within the scope of employee benefits		56,068	(9,371,988)
Changes in other asset provisions and liabilities		57,545,770	45,489,870
Severance payments made	12	(2,553,679)	(447,131)
Net cash flows used in operating activities		**(2,153,378,731)**	**203,389,070**
B. Cash flows from investment activities		**(537,391,833)**	**(528,889,719)**
Cash outflows related to acquisitions of control over subsidiaries		-	(480,344,886)
Cash outflows for acquisition of shares or debt instruments of other entities or funds		(42,209,154)	-
Cash inflows from sales of property, plant and equipment and intangible fixed assets	9, 10	990,132	1,163,588
Cash outflows from purchase of property, plant and equipment and intangible fixed assets	9, 10	(496,172,811)	(49,708,421)
C. Cash flows from financial activities		**10,231,358,295**	**4,087,527,659**
Cash inflows from issuance of shares and other equity instruments		1,677,828,689	1,485,790,954
Net change in financial liabilities		4,096,539,043	(4,534,599)
Interest received	4	4,456,990,563	2,612,999,872
Interest paid		-	(6,728,568)
Net (decrease) / increase in cash and cash equivalents		**7,540,587,731**	**3,762,027,010**
Monetary loss on cash and cash equivalents		**(3,749,210,974)**	**(3,899,115,139)**
Cash and cash equivalents at the beginning of the period	4	9,725,697,271	9,862,785,400
Cash and cash equivalents at end of period	**4**	**13,517,074,028**	**9,725,697,271**

Accompanying footnotes are integral parts of these consolidated financial statements.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 1 – ORGANIZATIONAL STRUCTURE AND BUSINESS ACTIVITY OF THE COMPANY

İhracatı Geliştirme A.Ş. (the "Company") was established in 2021 and operates in Türkiye. The Company supports Small and Medium-Sized Enterprises ("SMEs") and enterprises outside this scope ("Non-SME") by providing guarantees, thereby enabling these businesses to obtain bank financing for their investments and operations.

The Company was established to contribute to meeting all kinds of financing needs of exporters of goods and services both domestically and abroad through newly developed credit guarantee and suretyship applications appropriate to country conditions, and to expand, support, and facilitate access to all kinds of financing by providing guarantees and sureties exclusively for export credits in favor of exporters or potential exporters, whether natural or legal persons, who have insufficient collateral, financial data, moral values, and/or capital adequacy in terms of creditworthiness and access to finance.

The Company's shareholders are distributed as follows: Exporters' Associations 77%, Banks 13%, Türkiye Exporters Assembly (TİM) 5%, and Eximbank 5% (Note 15).

The 98.5% stake of Türk Ticaret Bankası A.Ş. ("the Bank"), which was put up for sale by the Savings Deposit Insurance Fund (SDIF) through a tender in February, was purchased by İhracatı Geliştirme A.Ş., which is co-owned by the Türkiye Exporters Assembly (TİM), The Türk Eximbank, 61 exporters' associations, and 20 banks, with the highest bid of TRY 1,379,134,577.

The Company's consolidated financial statements as of 31 December 2024 include the Company and its subsidiary listed below (hereinafter collectively referred to as the "Group").

The registered address of the Company is Küçükbakkalköy Mah. Defne Sokak No:3, Büyükhanlı Plaza Floor:1, Ataşehir/Istanbul.

As of 31 December 2024, the Group has a total of 257 employees (31 December 2023: 61).

As of 31 December 2024, the activity of the subsidiary included in the financial statements is as follows:

			31 December 2024	31 December 2023
Subsidiary name	**Main activity**	**Activity location**	**Shareholding ratio (%)**	**Shareholding ratio (%)**
Türk Ticaret Bankası A.Ş.	Banking Services	Türkiye	99.76	98.5

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basic principles regarding presentation

The accompanying consolidated financial statements have been prepared based on the Turkish Financial Reporting Standards ("TFRS") issued and enforced by the Public Oversight, Accounting and Auditing Standards Authority ("POA") and the related amendments and interpretations thereof.

The Group complies with the principles and requirements issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") in keeping the accounting records and drawing up statutory financial statements, as well as with the Turkish Commercial Code ("TCC"), tax legislation, and the Uniform Chart of Accounts requirements issued by the Banking Regulation and Supervision Agency and the Republic of Türkiye Ministry of Treasury and Finance ("Ministry of Treasury and Finance"). These financial statements, prepared in accordance with the Turkish Financial Reporting Standards, are presented in Turkish Lira based on the historical cost convention adjusted for the effects of inflation, except for derivative instruments measured at fair value. The financial statements have been presented in accordance with the TAS ("Turkish Accounting Standards") Taxonomy published by the POA on 4 October 2022. Furthermore, the financial statements have been prepared by reflecting the necessary adjustments and reclassifications made to the statutory records, which were prepared on a historical cost basis, in order to present a true and fair view in accordance with Turkish Financial Reporting Standards ("TFRS").

The Group's consolidated financial statements are presented in the functional currency of the primary economic environment in which it operates. The Group's financial position and results of operations are expressed in Turkish Lira, which is the Group's functional currency and the presentation currency of the financial statements.

The Group's functional and presentation currency is Turkish Lira (TRY).

Financial assets and liabilities are presented on a net basis when there is a legally enforceable right to set off the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.2 Statement of Compliance with TAS / TFRS

The accompanying consolidated financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") released by the Public Oversight, Accounting and Auditing Standards Authority ("POA") and related amendments and interpretations thereof. The financial statements and footnotes are presented in accordance with the "sample financial statements and user guide" announced by the POA with its principle decision dated 4 October 2022. TFRS is updated through communiqués to maintain alignment with changes in International Financial Reporting Standards ("IFRS").

The Group has prepared its consolidated financial statements and footnotes in compliance with TFRS. The Group's consolidated financial statements were approved by the Group's Board of Directors on 16.04.2025.

The accompanying consolidated financial statements have been prepared on a historical cost basis adjusted for the effects of inflation on the Turkish Lira as of the reporting date, except for monetary assets and liabilities and assets and liabilities measured at fair value, in accordance with Turkish Accounting Standard ("TAS") 29 "Financial Reporting in Hyperinflationary Economies."

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3. Adjustment of Financial Statements During Periods of Hyperinflation

TAS 29 is applied to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy. If an economy is experiencing hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in the measuring unit prevailing at the end of the reporting period. As of the reporting date, since the cumulative increase in the Consumer Price Index ("CPI") over the last three years has exceeded 100%, it has been indicated in the Announcement on the Adjustment of Financial Statements of Companies Subject to Independent Audit, published by the POA on 23 November 2023, that entities applying the Turkish Financial Reporting Standards are required to present their financial statements for annual reporting periods ending on or after 31 December 2023 adjusted for the effects of inflation in accordance with the relevant accounting principles set out in TAS 29.

As a result, the financial statements of entities whose functional currency is Turkish Lira are adjusted in accordance with TAS 29 for changes in the general purchasing power of the Turkish Lira as of 31 December 2024. The adjustment is calculated using the Consumer Price Index adjustment factors published by the TURKSTAT, derived from data across Türkiye. The indices and adjustment factors for the last three years used in the restatement of the financial statements are as follows:

Date	Index	Adjustment factor	Three-year cumulative inflation rates
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
1 January 2023	1,128.45	2.37897	156%

TFRS requires the financial statements of an entity whose functional currency is that of a hyperinflationary economy to be restated in accordance with the requirements of TAS 29 and to be applied retrospectively under the assumption that the economy has always been hyperinflationary. The fundamental principle in TAS 29 is that the financial statements of an entity reporting in the currency of a hyperinflationary economy shall be reported in terms of the measuring unit current at the reporting date. Comparative figures for the prior period are restated to the same current measuring unit.

The main procedures applied for the adjustments mentioned above are as follows:

- Monetary assets and liabilities carried at their current amounts as of the reporting date have not been restated, as they are already stated in terms of the current currency at the reporting date.
- Non-monetary assets and liabilities and equity items carried at historical cost have been restated by applying the relevant adjustment factors from the transaction date.
- Property, plant and equipment and right-of-use assets have been restated by applying the changes in the index from the transaction date to the reporting date. Depreciation is calculated based on the restated amounts.
- All income statement items, except the depreciation expenses explained above, have been restated by applying monthly adjustment factors from the monthly reporting date to the year-end reporting date.

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3. Adjustment of Financial Statements During Periods of Hyperinflation (cont'd)

- The effects of inflation on the Company's net monetary position are presented in the income statement as "monetary gain/(loss)."
- All items in the cash flow statement are expressed in terms of the current measuring unit at the reporting date. Comparative figures for prior periods have been restated by applying index changes from the respective comparative periods to 31 December 2024.

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2.4. Consolidation principles

a) The consolidated financial statements include the financial statements of the Parent Company, İhracatı Geliştirme A.Ş. and its subsidiary, within the scope of the matters described in paragraph (b) below. Where necessary, adjustments have been made to the accounting policies of the subsidiary's financial statements to ensure consistency with the accounting policies adopted by the Group. All intra-group transactions, balances, income, and expenses have been eliminated in consolidation.

b) Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The subsidiary, Türk Ticaret Bankası A.Ş. is fully consolidated. There are no non-controlling interests in this company. The balance sheet and income statement of the subsidiaries have been consolidated using the full consolidation method.

c) Business combinations are accounted for using the acquisition method at the acquisition date, which is the date control is transferred to the Group. Control refers to the Group's power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When assessing control, the Group considers potential voting rights that are exercisable.

The Group measures goodwill at the acquisition date as follows:

- The fair value of the consideration transferred; plus
- The carrying amount of any non-controlling interest in the acquiree; plus
- If the business combination is achieved in stages, the fair value at the acquisition date of the Group's previously held equity interest in the acquiree; minus
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

If the resulting valuation is negative, the bargain purchase gain is recognized directly in profit or loss.

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5. Comparative information

To enable the identification of financial position and performance trends, the Group's consolidated financial statements are prepared comparatively with the prior period. As of 31 December 2024, the Group presents the statement of financial position comparatively with the prior period, and the statement of profit or loss, statement of profit or loss and other comprehensive income, and statement of changes in equity comparatively with the fiscal period from 1 January to 31 December 2023.

2.6. Changes in Accounting Policies and Estimates and Errors

Significant changes in accounting policies and identified significant accounting errors are applied retrospectively, and prior period financial statements are restated. Changes in accounting estimates are applied prospectively, affecting only the current period if the change relates to that period, or both the current and future periods if the change relates to future periods. Identified significant accounting errors are corrected retrospectively, and prior period financial statements are restated. The Group has not identified any significant accounting errors during the current year. Changes in accounting policies arising from the first-time application of a new TAS/TFRS are applied retrospectively in accordance with the transitional provisions of the relevant TAS/TFRS, if any; if no transitional provisions exist or if a voluntary significant change in accounting policy is made, they are applied retrospectively and prior period financial statements are restated. No changes were made in accounting policies during 2024.

2.7 Business continuity

The Group has drawn up its consolidated financial statements as per the business continuity principle.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.8 New and Revised Turkish Financial Reporting Standards

i) New standards, amendments, and interpretations effective as of 31 December 2024

Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the International Accounting Standards Board ("IASB") amended IAS 21 to clarify:

• When one currency can be converted into another currency; and

• How an entity estimates the spot rate when a currency is not exchangeable.

The related amendments were published in the same manner by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 5 June 2024.

A currency is considered exchangeable for an entity if, at the measurement date and for a particular reason, the entity can exchange that currency for another currency. However, when currencies are not exchangeable for the entity, the entity is required to estimate a spot foreign exchange rate.

When estimating the spot foreign exchange rate, an entity's objective is solely to reflect the rate at which orderly foreign exchange transactions would take place between market participants at the measurement date under current economic conditions. The amendment does not include specific requirements regarding how to estimate the spot foreign exchange rate.

Therefore, when estimating the spot foreign exchange rate, an entity may use:

• an observable foreign exchange rate that does not require adjustment; or

• another estimation technique.

According to the amendments, entities will be required to provide new disclosures to assist users of financial statements in understanding the effects of using an estimated foreign exchange rate. These disclosures may include:

• the nature and financial effects of the lack of exchangeability of the currency;

• the spot foreign exchange rate used;

• the estimation process; and

• the risks to which the entity is exposed due to the lack of exchangeability of the currency.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Early application is permitted.

The application of the amendment on Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates is not expected to have a significant impact on the Company's financial statements.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.8 New and Revised Turkish Financial Reporting Standards (cont'd)

i) New standards, amendments, and interpretations effective as of 31 December 2024

New and updated standards and interpretations published by the International Accounting Standards Board ("IASB") but not yet published by the Public Oversight, Accounting and Auditing Standards Authority ("POA")

IFRS 18 – Presentation and Disclosures in Financial Statements

On 9 April 2024, the International Accounting Standards Board ("IASB") published IFRS 18 Presentation and Disclosures in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. It carries forward many provisions of IAS 1 without significant changes.

The objective of IFRS 18 is to set out the requirements for the presentation and disclosure of information in general-purpose financial statements (financial statements) to help entities provide relevant information that faithfully represents their assets, liabilities, equity, income, and expenses.

IFRS 18 introduces three defined categories for income and expenses (operating, investing, and financing) to improve the structure of the statement of profit or loss and requires all entities to present new defined subtotals, including operating profit.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively. Early application is permitted.

The application of IFRS 18 is not expected to have a significant impact on the Group's consolidated financial statements.

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

Classification of financial assets with contingent features

The amendments introduce an additional SPPI (solely payments of principal and interest) test requirement to clarify the classification of financial assets with contingent features that are not directly related to changes in fundamental credit risks or costs—for example, in cases where the cash flows vary depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan agreement, the classification of such contingent financial assets will be determined by the SPPI test. The SPPI test determines whether the asset is accounted for at amortized cost or fair value.

Under the amendments, certain financial assets, including those with ESG-linked features, can now meet the SPPI criterion provided that the cash flows are not substantially different from those of an otherwise identical financial asset without such features. However, entities will be required to perform additional work involving judgment to demonstrate this.

The amendments also include additional disclosures for all financial assets and financial liabilities with certain contingent features that:

- are not directly related to changes in fundamental credit risks or costs; and
- are not measured at fair value through profit or loss.

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.8 New and Revised Turkish Financial Reporting Standards (cont'd)

Reconciliation of electronic payments

An entity that settles its trade payable using an electronic payment system generally derecognizes the trade payable on the payment date. The amendments introduce an exception to the derecognition of such financial liabilities. This exception allows the entity to derecognize the trade payable before the payment date if it uses an electronic payment system that meets all the following criteria:

- It is not possible to withdraw, stop, or cancel the payment instruction;
- There is no access to the cash used for payment as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system is insignificant.

Other amendments

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key features of contractually linked instruments and how these instruments differ from financial assets with non-recourse features. The amendments also specify the factors that an entity should consider when assessing the cash flows of financial assets with non-recourse features (the so-called "look-through" test).

Disclosures on investments in equity instruments

The amendments introduce additional disclosure requirements for investments in equity instruments that are measured at fair value and for which gains or losses are presented in other comprehensive income (fair value changes presented in OCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Entities may choose to early apply these amendments (including the related disclosure requirements) separately from the amendments regarding the accounting and derecognition of financial assets and financial liabilities.

The application of these amendments to IFRS 9 and IFRS 7 is not expected to have a significant impact on the Group's consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries of entities that apply IFRS Accounting Standards may significantly reduce their disclosure requirements and focus more on user needs following the issuance of IFRS 19.

A subsidiary may elect to apply the new standard in its consolidated, separate, or individual financial statements if it meets the following criteria:

- It does not have public accountability
- Its parent prepares consolidated financial statements in accordance with IFRS Accounting Standards.

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.8 New and Revised Turkish Financial Reporting Standards (cont'd)

IFRS 19 Subsidiaries without Public Accountability: Disclosures (cont'd)

A subsidiary applying the reduced disclosure requirements under IFRS 19 will fully comply with the recognition, measurement, and presentation requirements of IFRS, but will provide reduced disclosures, and it must clearly state in its compliance statement with IFRS Accounting Standards that it has applied IFRS 19.

The amendments are effective for annual fiscal periods beginning on or after 1 January 2027. Early application is permitted.

The application of IFRS 19 is not expected to have a significant impact on the Group's consolidated financial statements.

IFRS Annual Improvements – Volume 11:

The annual improvements process aims to enhance the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB issued the publication titled "Annual Improvements to IFRS Accounting Standards – Volume 11" to make minor amendments to five standards.

Transaction Price (Amendments to IFRS 9: Financial Instruments): The term "transaction price," which appears in IFRS 9 and was used in some paragraphs with a meaning not fully aligned with its definition in IFRS 15, has been updated and replaced with "amount determined applying IFRS 15" to ensure consistency.

Derecognition of Lease Liabilities (Amendments to IFRS 9: Financial Instruments): When a lease liability is derecognized, the transaction is accounted for under IFRS 9. However, lease modifications are accounted for under IFRS 16. With this amendment, the IASB clarifies that when a lease liability is derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment related to the derecognition of lease liabilities applies only to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

Hedge Accounting by First-time Adopters (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)

IFRS 1 has been amended to:

- Enhance consistency with the hedge accounting requirements in IFRS 9;
- Improve understandability.

A cross-reference to IFRS 9 has been added in IFRS 1 under the section "Exception to retrospective application of other IFRSs."

Gains or Losses on Derecognition (Amendments to IFRS 7 Financial Instruments: Disclosures): A statement has been added to IFRS 7 clarifying that the guidance provided does not illustrate all the requirements for the recognition of gains or losses arising on derecognition. Additionally, the term "inputs not based on observable market data" has been revised to "unobservable inputs" to ensure alignment with the terminology in IFRS 13.

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.8 New and Revised Turkish Financial Reporting Standards (cont'd)

IFRS Annual Improvements – Volume 11: (cont'd)

Disclosure of the Deferred Difference Between Fair Value and Transaction Price (Amendments to IFRS 7 Financial Instruments: Disclosures): The wording, which remained unamended following the issuance of IFRS 13 in May 2011, has been simplified and clarified through this amendment to better explain that the transaction price may differ from fair value at initial recognition. Fair value is not supported by a price in an active market for the same asset or liability (a Level 1 input), nor by a valuation technique based solely on observable market data. (In such cases, the difference shall be recognized in profit or loss in subsequent periods in accordance with IFRS 9.)

Credit Risk Disclosures: Paragraph IG1 of IFRS 7 has been amended to clarify that it does not illustrate all of the requirements referred to in the related paragraphs of IFRS 7.

Determination of a 'De Facto Agent' (Amendments to IFRS 10 Consolidated Financial Statements): In determining whether another party is acting on behalf of the investor, the guidance has been revised to use less definitive language when the investor has the ability to direct the party that directs the investee's activities, such that judgment is required in assessing whether the party is acting as a de facto agent.

Cost Method (Amendments to IAS 7):
Following previous amendments that removed the term "cost method," the expression in IAS 7 has been revised from "cost method" to "accounted for at cost."

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
In December 2024, the IASB amended IFRS 9 to address challenges in applying IFRS 9 to contracts referencing nature-dependent electricity, sometimes referred to as Renewable Energy Supply Agreements ("RESA"). The amendments provide guidance on:

- The "own use" exemption for electricity purchasers under such RESAs; and
- Hedge accounting requirements for entities using RESAs to hedge electricity purchases or sales.
- New disclosure requirements for certain RESAs in IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures.

These amendments are effective for reporting periods beginning on or after 1 January 2026. Early application is permitted.

Own Use Exemption for RESAs
If the "own use" exemption under IFRS 9 is not applied when purchasing electricity through RESAs, the RESAs are considered derivatives and measured at fair value through profit or loss; which can lead to significant volatility in the income statement as RESAs are generally long-term contracts.

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.8 New and Revised Turkish Financial Reporting Standards (cont'd)

IFRS Annual Improvements – Volume 11: (cont'd)

In order for the own-use exemption to be applicable to RESAs, IFRS 9 requires entities to assess whether the contract aligns with the entity's expected purchase or usage needs – for example, the expectation that the entity will consume the purchased electricity. The unique characteristics of electricity, its inability to be stored and the necessity to sell unused electricity on the market within a short timeframe, with such sales occurring under market conditions are not subject to short-term price speculation, which has created a need for clarity in applying the current exemption. The amendments allow entities to apply the own-use exemption to RESAs if they are expected to remain net buyers of electricity throughout the contract period.

These amendments are applied retrospectively based on the facts and circumstances at the beginning of the first reporting period of application, without requiring restatement of prior periods.

Hedge Accounting Requirement for RESAs
Since virtual RESAs (contract for differences) and RESAs that do not meet the own-use exemption are accounted for as derivatives and measured at fair value through profit or loss, the hedge accounting requirements in IFRS 9 have been amended to permit the application of hedge accounting to RESAs. This amendment aims to reduce profit or loss volatility by:

- Allowing entities to designate a variable notional volume of renewable electricity purchases or sales as the hedged item, rather than a fixed volume;
- Permitting the measurement of the hedged item using the same volume assumptions used for the hedging instrument.

These amendments apply prospectively only to new hedging relationships designated after the date of initial application. Additionally, entities are allowed to discontinue an existing hedge accounting relationship and re-designate the same hedging instrument (i.e., contracts referencing nature-dependent electricity) in a new hedging relationship under the amended requirements.

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 2 - PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.8 New and Revised Turkish Financial Reporting Standards (cont'd)

IFRS Annual Improvements – Volume 11: (cont'd)

Amendments that have become effective and are being applied

The amendments that have become effective for annual fiscal periods beginning on or after 1 January 2024 are as follows:

1) Classification of Liabilities as Current or Non-current (Amendments to TAS 1)
2) Lease Liability in a Sale and Leaseback Transaction – Amendments to TFRS 16 Leases
3) Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
4) International Tax Reform – Pillar Two Model Rules – Amendments to TAS 12 The IASB amended IAS 12 to introduce a temporary mandatory exception from accounting for deferred taxes arising from legislation enacted to implement the Global Anti-Base Erosion Rules (the "GloBE model rules"). Under this exemption, entities are not required to recognize or disclose deferred tax relating to top-up taxes. However, they must disclose the application of the exemption.

   The exemption became effective immediately and is applied retrospectively in accordance with IAS 8. The exemption remains in effect until the IASB decides to either remove or make it permanent.

   The related amendments have also been published by the POA through corresponding changes to TAS 12.

These newly enacted standard amendments have not had a significant impact on the Group's consolidated financial statements.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Foreign currency transactions

The Group translates transactions denominated in foreign currencies into TRY using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, which are presented in the statement of financial position, are translated into TRY using the exchange rates prevailing at the end of the reporting period. Foreign exchange gains or losses arising from the translation of such transactions and monetary items are recognized in the statement of comprehensive income in the period in which they occur.

The exchange rates used for the years ended 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
EUR / TRY	36.7362	32.5739
USD / TRY	35.2803	29.4382

3.2. Cash and cash equivalents

Cash and cash equivalents are reflected in the balance sheet at cost. Cash and cash equivalents include cash on hand, bank deposits, and short-term investments that are readily convertible to known amounts of cash, have high liquidity, are subject to insignificant risk of changes in value, and have original maturities of three months or less from the acquisition date. The carrying amounts of these assets approximate their fair values.

3.3. Disclosures on financial assets

The Group classifies and accounts for its financial assets as "Financial Assets at Fair Value Through Profit or Loss," "Financial Assets at Fair Value Through Other Comprehensive Income," or "Financial Assets Measured at Amortized Cost." These financial assets are recognized or derecognized in accordance with the provisions on "Recognition and Derecognition" included in Part 3 of TFRS 9 Financial Instruments, as published by the Public Oversight Accounting and Auditing Standards Authority (POA) in the Official Gazette dated 19 January 2017 and numbered 29953, regarding the classification and measurement of financial instruments.

Financial assets are initially measured at fair value upon recognition in the financial statements. For financial assets other than those classified as "Financial Assets at Fair Value Through Profit or Loss," transaction costs are added to or deducted from the fair value at initial recognition. The Group recognizes a financial asset in the statement of financial position only when it becomes a party to the contractual provisions of the instrument. At the time of initial recognition of a financial asset, the business model determined by Group management and the contractual cash flow characteristics of the financial asset are taken into account. If the business model determined by Group management changes, all financial assets affected by such change are reclassified, and the reclassification is applied prospectively. In such cases, no adjustments are made to previously recognized gains, losses, or interest in the financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

a. Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are financial assets that are managed under a business model other than one aimed at holding to collect contractual cash flows or one aimed at both collecting contractual cash flows and selling, or where the contractual terms of the financial asset do not give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding; and include financial assets held for the purpose of generating profit from short-term fluctuations in prices or similar elements in the market, or those that, regardless of the reason for their acquisition, are part of a portfolio held with the objective of short-term profit.

Financial assets at fair value through profit or loss are recognized initially at fair value and subjected to valuation with their fair values following their recognition. Gains or losses arising from changes in fair value are recognized in profit or loss.

b. Financial assets at fair value through other comprehensive income:

Financial assets are classified as at fair value through other comprehensive income if they are held within a business model that is managed both to collect contractual cash flows and to sell financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at fair value through other comprehensive income are initially recognized at acquisition cost reflecting their fair value, plus transaction costs. After initial recognition, financial assets at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest method on debt securities classified as financial assets at fair value through other comprehensive income, and dividend income on equity securities representing ownership interests, are recognized in the profit or loss statement.

"Unrealized gains and losses," which represent the difference between the fair value and the amortized cost of financial assets at fair value through other comprehensive income, are not recognized in the profit or loss statement until the related financial asset is collected, sold, disposed of, or impaired, and are instead recorded under equity in the "Accumulated Other Comprehensive Income or Loss to Be Reclassified to Profit or Loss" account. When the related financial asset is collected or disposed of, the cumulative fair value changes previously recognized in equity are reclassified to profit or loss.

At the time of initial recognition, the entity may make an irrevocable election to present subsequent changes in the fair value of an equity investment not held for trading in other comprehensive income. In such cases, dividend income derived from the investment is recognized in profit or loss.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd):

c. Financial assets measured at amortized cost:

A financial asset is classified as measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially recognized at acquisition cost reflecting their fair value, plus transaction costs, and subsequently measured at "amortized cost" using the "Effective Interest Rate (internal yield) method. Interest income related to financial assets measured at amortized cost is recognized in profit or loss.

As of 31 December 2024, the Group classifies cash and cash equivalents as financial assets measured at amortized cost.

d. Disclosures on expected credit loss provisions:

Company's Policy on Expected Credit Loss Provisions

The Company recognizes expected credit loss provisions in accordance with "TFRS 9 Financial Instruments", published by the Public Oversight Accounting and Auditing Standards Authority in the Official Gazette dated 19 December 2017 and numbered 29953. Estimation of expected credit losses includes supportable information about estimations regarding impartial, past incidents weighted based on possibilities and future economic conditions.

Expected Credit Loss (ECL) Calculation — Inputs and Estimation Methodologies:

Expected credit loss is calculated over the lifetime of an asset depending on whether it is considered to have experienced a credit loss since initial recognition. Expected credit loss is calculated using the components of Exposure at Default, Probability of Default, and Loss Given Default.

Exposure at Default: Represents the amount at risk at the date of default in case of realization of guarantees provided by the Company within equity scope. This amount is calculated and maintained in the system over the remaining maturity of the debtor.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

d. Disclosures on expected credit loss provisions: (cont'd)

Probability of Default (PD): The probability of default represents the likelihood that the borrower will fail to meet its obligations, thereby triggering compensation of the guarantee provided within the scope of equity. The Company uses lifetime estimation for calculating the probability of default. The lifetime probability of default calculation is performed by extrapolating actual historical default rates into the long term using various functions based on historical data. The PD figure for 2023 was obtained directly from the dataset. The figures for 2021 and 2022 were calculated using interpolation. The PD values were derived from 8 years of data covering the period from 2015 to 2023.

The models used in PD calculation have been developed based on historical data regarding compensated and non-compensated guarantees, taking into account past loss experience. The PD value to be used under TFRS 9 is calculated separately for each borrower utilizing the guarantee based on the sector-specific information. The relationship between the risk parameters used and macroeconomic conditions has been identified, and the macroeconomic indicators that influence the probability of default have been determined. In this context, macroeconomic forecasts have been incorporated using different scenarios to reflect their potential impact on PD fluctuations.

Loss Given Default (LGD): Loss given default is the ratio that estimates the portion of the receivable that will not be collected in the event of default by the borrower.

Taking into account the long-term recovery process, including historically compensated guarantees provided within the scope of equity and their compensation amounts, on a segment-specific basis; the calculation is performed based on net amounts obtained by deducting the collected amount from the compensation amount and discounting the result using the effective interest rate or a rate approximating it.

Expected credit loss is calculated over the remaining maturity using the components of exposure at default, probability of default, and loss given default. The calculated values are discounted to the reporting date using the original effective interest rate or a rate approximating it. In addition, per the Company's policy, individual assessments are carried out for compensated guarantees with risk exposure above a certain threshold when determining the expected credit loss.

Cash and cash equivalents include cash on hand, bank balances, and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. The carrying amounts of these assets approximate their fair values. In the current period, the Company has recognized expected credit loss provisions for financial assets measured at fair value through other comprehensive income and bank deposits subject to impairment provisions, in accordance with the requirements of "TFRS 9 – Financial Instruments".

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

d. Disclosures on expected credit loss provisions: (cont'd)

Credit Stages

Financial assets are categorized into the following three stages based on the increase in observed credit risk from the date they are first recognized in the financial statements:

Stage 1:

These are financial assets that, at initial recognition or subsequently, do not show a significant increase in credit risk or are part of a portfolio with a low default rate as of the reporting date. For these assets, the impairment provision for credit risk is recognized based on 12-month expected credit losses. The Company applies the estimated 12-month probability of default to the estimated exposure at default, multiplies it by the expected loss given default, and discounts the result to present value using the original effective interest rate of the credit. For these assets, the 12-month expected credit loss is recognized, and interest income is calculated on the gross carrying amount. The 12-month expected credit loss represents the loss resulting from risks that are likely to occur within the 12 months following the reporting date.

Stage 2:

If there is a significant increase in credit risk after initial recognition but the financial asset is not yet considered to be credit-impaired, the asset is transferred to Stage 2. The Company determines the impairment provision for credit risk based on the lifetime expected credit losses of the related financial asset. Lifetime expected credit loss refers to losses resulting from all potential events over the expected life of the financial asset. The probability of default and loss given default rates are estimated over the life of the credit, including the use of multiple scenarios. Expected cash flows are discounted using the original effective interest rate.

Stage 3:

Stage 3 includes financial assets for which there is objective evidence of impairment as of the reporting date. For these assets, lifetime expected credit losses are recognized. While the methodology the Company applies for credits in this stage is similar to that used for Stage 2, the probability of default is assumed to be 100%.

Overview of the TFRS 9 Impairment Standard

The impairment model under TFRS 9 is based on a forward-looking expected credit loss approach, in contrast to the incurred loss model. This model requires the recognition of expected losses at the time a financial instrument is first recognized in the financial statements and mandates that these estimates be updated at each reporting period to reflect changes in credit risk.

The primary objective of this forward-looking model is to improve financial reporting by providing users of financial statements with more accurate and useful information, covering the Bank's financial instruments measured at amortized cost and at fair value through other comprehensive income, as well as loan commitments and financial guarantee contracts.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

d. Disclosures on expected credit loss provisions: (cont'd)

The Bank measures expected credit losses on a financial instrument by taking into account the following elements:
a) A weighted and unbiased amount determined based on possible outcomes,
b) The time value of money,
c) Reasonable and supportable information that is available without undue cost or effort as of the reporting date regarding past events, current conditions, and forecasts of future economic conditions.

The Expected Credit Loss (ECL) framework includes a three-stage classification model:

Stage 1: Financial assets for which there has not been a significant increase in credit risk since initial recognition in the financial statements. For these assets, the impairment provision for credit risk is recognized based on 12-month expected credit losses.
Stage 2: If a significant increase in credit risk is identified after initial recognition, the related financial assets are transferred to Stage 2. The impairment provision of credit risk is measured based on lifetime expected credit losses.
Stage 3 (Default): This stage includes financial assets for which there is objective evidence of impairment as of the reporting date. In the impairment calculations, the probability of default is considered to be 100%.

For financial assets classified under Stage 1, ECL is calculated based on the present value of all expected cash shortfalls within the next 12 months, while for those in Stages 2 and 3, it is calculated based on expected cash shortfalls over the lifetime of the financial instrument.

For performing loans, cash flows are discounted using the Effective Interest Rate (EIR), which corresponds to the original contractual rate of the loan. For non-performing loans (Stage 3), the EIR applicable just before transitioning into Stage 3 is used, or if unavailable, the loan's original contractual rate is applied as the effective interest rate. In addition, the ECL calculation is updated at each reporting period to reflect potential deterioration or improvement in the credit quality of the financial instrument.

The measurement of ECL reflects information about past events, current conditions, and forecasts of future economic conditions.

ECL Measurement

ECL is calculated on a monthly basis for all asset classes classified under amortized cost and fair value through other comprehensive income (FVOCI). The calculation details for different portfolios are provided below.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

d. Disclosures on expected credit loss provisions: (cont'd)

Commercial Loan Portfolio

For commercial loans, ECL is calculated at the individual loan level. These calculations are performed on a monthly basis, using balances that include month-end data.

As of the reporting date, the database is queried to extract each loan's payment schedule and cash flows covering both principal and interest, and the ECL is then calculated based on that schedule. For each cash flow period, if financial collateral exists, its net realizable value is deducted from the corresponding payment amount. The net realizable value of financial collateral is the collateral's amount discounted using specified discount factors. If there are non-financial collaterals, their net realizable values are also deducted, leaving the unsecured portion. A 45% LGD derived from Basel II's foundation internal ratings-based approach is then applied to the unsecured balance.

Similarly, for loans without a defined payment schedule, ECL is computed using the loan's remaining maturity to determine the unsecured balance, following the same methodology and applying a 45% LGD under Basel II foundation internal ratings-based approach.

PiT PD estimates are generated considering macroeconomic indicators and scenarios (baseline, optimistic, and adverse). After applying the baseline, optimistic, and adverse scenarios, their results are weighted according to probabilities determined by the Economics Research department.
To derive the PiT PD values for the next three years, the outputs of the macroeconomic model, derived based on the inputs of the macro scenarios, were applied to the Merton Model.

Cumulative default probabilities estimated at the portfolio level have been integrated into the Bank's rating scale. A PD of 0.05% in the first year for the highest rating grade is set as the lowest possible default probability under Basel standards. PD values for other rating grades are calibrated by optimizing a factor that aligns each grade's portfolio-average PD with the first-year cumulative PD. These steps are then repeated for subsequent years.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

d. Disclosures on expected credit loss provisions: (cont'd)

Central Governments and Fixed Income Securities Portfolio

The ECL for the securities portfolio is calculated at the level of each security included in the portfolio. These calculations are performed on a monthly basis, using balances that include month-end data.

The 1-year PD is derived from the mapping between external credit ratings provided by the three major rating agencies (Moody's, S&P, and Fitch) and the PDs. These agencies conduct annual studies on default and recovery that publish the mapping between external ratings and default rates. If more than one of the three major rating agencies (S&P, Moody's, and Fitch) provides a debtor-specific PD, the median PD is used. The mapping table used (for both central government securities and other securities portfolios) is obtained from the Basel II documentation and is presented below.

The 1-year PD is determined by mapping external credit ratings provided by the three major rating agencies, Moody's, S&P, and Fitch, to PDs. These agencies publish annual studies on default and recovery rates to demonstrate the relationship between external ratings and default probabilities.

e. Macroeconomic Model

Under TFRS 9, the calculation process for expected credit loss provisions requires consideration of forward-looking information. Therefore, a macroeconomic model has been developed using data from 2015 to 2023 in order to make forward-looking forecasts. Due to the use of two different data sets for default rate calculations between 2015 and 2023, and a significant difference between these two default rates, the period between 31.12.2020 and 31.12.2023 has been used as the basis for interpolation between the two data sets.

In the macroeconomic model, default identification is conducted according to the definition of default specified in the "Expected Credit Loss Calculation Policy."

Due to the institution's insufficient historical data, in the process of obtaining the dependent variable default rate for the macroeconomic model:

- For the years 2015-2021, follow-up information was obtained from the credit risk limit data of firms listed in the exporter firm list provided by the Ministry of Trade's Directorate General of Exporters,
- For the years 2022-2023, follow-up information was obtained from the risk center credit limit risk data of firms that received guarantee services from the Institution.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3. Disclosures on financial assets (cont'd)

e. Macroeconomic Model (cont'd)

Macroeconomic Model and the Derivation of Forward-Looking PD Values

The detailed model parameters used in the process of obtaining the macroeconomic model are as follows:

Macroeconomic Model Parameters

Model Parameter	Coefficient
Intercept	(3.53947)
GDP (Annual)	(2.67677)
USD_Commercial Interest (Annual)	1.20099

The macroeconomic model is used to forecast forward-looking PD values for the first two years. Therefore, the projected values of the variables included in the model for the years 2025 and 2026 have been calculated based on scenario analysis with optimistic (10%), baseline (70%), and adverse (20%) weights, as shown below.

Forward-Looking Variable Forecasts

Period	Commercial Loan Interest Rate (USD)			GDP Growth		
	Optimistic	Baseline	Adverse	Optimistic	Baseline	Adverse
2025	10.61	8.84	7.07	5.40	4.50	3.60
2026	9.37	7.81	6.25	6.00	5.00	4.00

Based on the coefficients and scenario weights mentioned above, and including the variable forecasts, quarterly PD forecasts have been carried out. The annual projected PD values have been calculated by taking the average of the forward-looking quarterly PD forecasts obtained as a result of these calculations, as shown below:

Forward-Looking PD Forecasts

Period	PD
2025	0.387%
2026	0.275%

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4. Property, plant, and equipment

Property, plant, and equipment, except for buildings, are accounted for at cost values adjusted for inflation, less accumulated depreciation and any accumulated impairment losses. When property, plant, and equipment are sold, the related cost, accumulated depreciation, and any impairment provisions are derecognized from the relevant accounts, and the resulting gain or loss is recognized in the income statement.

The cost of property, plant, and equipment comprises the purchase price, import duties and non-refundable taxes, and any expenses directly attributable to bringing the asset to its intended use. Expenses such as repairs and maintenance incurred after the property, plant, and equipment has been put into use are recognized as expenses in the period in which they are incurred. However, expenditures that increase the future economic benefits of the related property, plant, and equipment are capitalized and added to the cost of the asset.

The Bank carries its building, which is classified under property, plant, and equipment, using the revaluation model in accordance with "TAS 16 Property, Plant and Equipment" standard. Accordingly, valuation differences resulting from appraisals performed by an independent expert firm are recognized under equity in the revaluation surplus related to property, plant, and equipment and intangible assets.

Depreciation

Depreciation on property, plant, and equipment is calculated on a straight-line basis over the estimated useful lives of the assets, starting from the date the assets are put into use.

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

Asset type	**Estimated economic life**
Fixtures and fittings	3-15 years
Real estates	50 years
Leasehold improvements	Over the lease term

Subsequent costs

Subsequent expenditures are capitalized if they increase the future economic benefits of the related property, plant, and equipment. All other costs are recognized as expenses in the comprehensive income statement as they are incurred.
Gains or losses arising from the disposal of property, plant, and equipment are determined by comparing the proceeds from disposal with the carrying amount of the related asset and are reflected in the current period's income or expense accounts.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5. Intangible assets

Intangible assets are recorded at their acquisition costs adjusted for inflation. Intangible assets include banking licenses and software programs. Except for the banking license, amortization expenses related to intangible assets are recognized in the income statement and calculated using the straight-line amortization method over the estimated useful lives of the related assets, which range from 3 to 5 years. The banking license has an indefinite useful life. Intangible assets are reviewed for impairment whenever there are indications that the carrying amount may not be recoverable, and necessary impairment provisions are recognized accordingly.

3.6. Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated to determine the impairment loss.

3.7. Provisions, contingent liabilities, and contingent assets

For a provision to be recognized in the financial statements, the Group must have a present legal or constructive obligation arising from past events; it must be probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount of the obligation must be reliably estimated. If these criteria are not met, the Group discloses the related matters in the relevant footnotes.

When it becomes probable that an inflow of economic benefits will arise, a contingent asset is disclosed in the footnotes to the financial statement. When the inflow of economic benefits is virtually certain, the asset and the related income are recognized in the financial statements at the date the change occurs.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8. Employee benefits

Provision for severance pay

According to the Turkish Labor Law, the Company is obliged to make a lump-sum payment to employees whose employment ends due to retirement or reasons other than resignation and behaviors specified by law. The provision for severance pay for the Company's employees represents the present value of the probable future obligations arising from retirement.

The calculation of the severance pay provision is based on the severance pay ceiling announced by the government.

Short-term liabilities arising from employee benefits are recognized as expenses in the profit or loss statement as the related services are rendered by the employees, without discounting.

The amount expected to be paid as short-term cash bonuses is recognized as a provision when the Company has a present legal or constructive obligation due to past services rendered by employees, and the obligation can be reliably estimated.

Under the Turkish Labor Law, in the event of termination of an employment contract for any reason, the Company is liable to pay the employee or their beneficiaries the gross wage and other contractually related benefits for unused annual leave accrued up to the termination date. The provision for unused leave represents the undiscounted total liability for all employees' earned but unused leave days as of the reporting date. Obligations arising from unused leave rights are accrued in the periods in which the rights are earned.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9. Related parties

a. A person or a close family member of that person is considered related to the Group if the person meets any of the following conditions:
If that person:

- Has control or joint control over the Company,
- Has significant influence over the Company,
- Is a member of the key management personnel of the Company or of a parent company of the Company.

b. An entity is considered related to the Company if any of the following conditions exist:
The entity and the Company are members of the same group,

- The entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of the group of which the other entity is a member),
- Both entities are joint ventures of the same third party,
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
- The entity has post-employment benefit plans for the employees of the Company or of an entity related to the Company (if the Company itself has such a plan, the sponsoring employers are also related to the Company),
- The entity is controlled or jointly controlled by a person identified in item (a),
- A person identified in item (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.10. Revenue

The Group provides financial guarantees consisting of loans and guarantees during its operations. The income earned comprises interest income, commissions, review fees, and transaction fees.

The accounting for financial assets is carried out using the effective interest rate method. This method includes the interest rate that discounts estimated future cash flows to the asset's carrying amount. The effective interest rate is determined at initial recognition of the asset and is not subsequently changed.

Effective interest calculation includes discounts and premiums as well as fees, commissions, and transaction costs paid or received. Transaction costs are incremental costs directly attributable to the acquisition or disposal of a financial asset.

Commission revenues are accounted for as follows: initial year commissions are recognized regardless of the transaction execution, transaction fees are recognized as service income from the related customer per transaction when collected, and guarantee commissions in subsequent years are accounted for on an accrual basis.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11. Financial income and expenses

Interest income and expenses are recognized in the income statement using the effective interest rate method. The effective interest rate is the discount rate that equalizes the expected estimated future cash inflows and outflows over the expected life of the financial asset or liability to the current carrying amount of those financial assets or liabilities.

In calculating the effective interest rate, all fees paid, transaction costs, and discounts or premiums that form an integral part of the interest rate are taken into account. Transaction costs are costs that can be directly attributed to the acquisition, use, or disposal of the financial asset or liability, and increase the cost of the asset or liability.

Interest income and expenses presented in the income statement include interest calculated using the effective interest rate on financial assets and liabilities.

- Foreign exchange gains and losses are presented under finance income and expenses in the income statement.

3.12. Tax

Taxes Applicable to the Company

The Tax Procedure Law No. 213, the Law No. 6183 on the Procedure for the Collection of Public Receivables, Income Tax Law No. 193, the repealed Corporate Tax Law No. 5520, and the Law No. 6009 dated 25 May 1995, regarding Amendments to the Value Added Tax Law No.3065 were published in the Official Gazette dated 2 June 1995, and came into effect. According to this law, institutions "established solely to provide credit guarantees within the scope of financial and technical cooperation agreements made with foreign countries or international financial institutions, which add the income earned from these activities to guarantee responsibility funds and invest the funds they own in lending banks and institutions without distributing them to their shareholders" are exempt from corporate tax according to Article 4, paragraph 1 (I)(b) of the Corporate Tax Law (as amended by Article 4 of Law No. 6009).

According to Article 17/4-e of the Value Added Tax Law, the credit guarantee service provided by institutions specified in Article 7(24) of the repealed Corporate Tax Law No. 5422 and Article 4(I) of the new Corporate Tax Law No. 5520 is exempt from value-added tax.
With Article 29 of Law No. 4842 regarding Amendments to Certain Laws, the documents issued for transactions related to credit guarantees of the institutions mentioned in Article 7(24) of the Corporate Tax Law have been exempted from stamp tax according to paragraph 22 added to Section V - Papers Related to Institutions in Table (2) annexed to the Stamp Tax Law No. 488.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12. Tax (cont'd)

Taxes related to banking activities

Pursuant to the "Law No. 7456 on Additional Motor Vehicles Tax and Amendments to Certain Laws and Decree Law No. 375 for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375," published in the Official Gazette dated 15 July 2023; the corporate tax rate of 25% applicable to banks, financial leasing, factoring, finance and savings finance companies, electronic payment and money institutions, authorized foreign exchange offices, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies has been increased to 30%, while the corporate tax rate of 20% applicable to other companies has been increased to 25%. This change in the tax rate will apply starting from the tax returns to be submitted as of 1 October 2023, covering profits earned in 2023 and subsequent tax periods.

According to Tax Procedure Law Circular No. 115, the deadlines for submitting certain tax returns, which were effective from 1 April 2019 until a new determination is made, have been extended. Under this circular, the corporate tax return can be filed until the end of the evening of the last day of the fourth month following the month in which the relevant fiscal period ends.

Corporate and income tax provisions calculated on the period profit are recorded under the "Current Tax Liability" account in liabilities and as an expense under the "Current Tax Provision" account in the income statement.

According to the Corporate Tax Law, financial losses declared on the tax return can be deducted from the corporate tax base of the period, provided that the deduction period does not exceed five years. Tax returns and related accounting records may be reviewed and tax calculations audited by the tax office within five years.

Deferred taxes

Deferred tax liabilities or assets are determined by calculating the tax effects of "temporary differences" between the carrying amounts of assets and liabilities shown in the financial statements and the amounts considered in the tax base under the TAS 12 - Income Taxes standard. Differences arising on the acquisition date of assets or liabilities that do not affect financial or commercial profit according to tax legislation are excluded from this calculation.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. If it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced accordingly.

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12. Tax (cont'd)

Deferred taxes (cont'd)

Deferred tax is calculated based on the tax rates applicable at the time the assets arise or the liabilities are settled and is recognized as an expense or income in the income statement. However, if the deferred tax relates to assets that are directly associated with equity, either in the same or a different period, it is recognized directly in the equity accounts. Deferred tax assets and liabilities are offset.

- Deferred tax assets or liabilities under TAS 12 are calculated using the tax rates (and tax laws) that are enacted or substantively enacted by the end of the reporting period (balance sheet date) and expected to apply when the assets are realized or the liabilities are settled, therefore, as of 31 December 2024, the assets and liabilities are assessed based on their maturities using the enacted tax rates in effect at the balance sheet date in accordance with the applicable tax legislation.

According to Article 21 of the Law published in the Official Gazette No. 32249 dated 15 July 2023, titled "Law on on Additional Motor Vehicles Tax and Amendments to Certain Laws and Decree Law No. 375 for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375," amendments were made to Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate, with these amendments, the general corporate tax rate was increased from 20% to 25%, and the rate for banks and financial institutions was increased from 25% to 30%. The same Article (Article 21) also stipulates that, to promote exports, the reduced corporate tax rate applied exclusively to income derived from exports by exporting institutions has been adjusted from a 1-point discount to a 5-point discount.

From 1 October 2023, the corporate tax rate of 30% will apply to banks, companies under Law No. 6361, electronic payment and money institutions, authorized foreign exchange offices, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies for tax returns submitted and earnings generated in 2023 and subsequent tax periods. Deferred tax calculations as of 31 December 2024, have been performed based on the 30% tax rate for assets and liabilities.

Transfer Pricing

Article 13 of the Corporate Tax Law covers transfer pricing under the title "disguised profit distribution through transfer pricing," and the details regarding this matter are outlined in the "General Communiqué on Disguised Profit Distribution through Transfer Pricing" published on 18 November 2007.

According to the related communiqué, if taxpayers do not price their transactions of goods, services, or products with related parties and individuals in accordance with the arm's length principle, it will be concluded that the resulting income has been distributed covertly through transfer pricing. Such disguised profit distributions through transfer pricing will not be deductible from the corporate tax base.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13. Cash flow statement

In the cash flow statement, cash flows for the period are classified and reported based on operating, investing, and financing activities.

- Cash flows from operating activities represent cash flows generated from the Company's core operations. Cash flows related to investing activities show the cash used and received by the Company in its investing activities (fixed and financial investments). Cash flows related to financing activities reflect the sources of funds used by the Company in financing activities and the repayments of those funds.

3.14. Disclosures on leased assets

Group as lessee

At the commencement of a contract, the Group assesses whether the contract is or contains a lease. A contract is considered a lease or contains a lease if it transfers the right to control the use of an identified asset for a period in exchange for consideration. The Group recognizes a right-of-use asset and a lease liability in its consolidated financial statements at the date the lease commences.

When evaluating whether a contract conveys the right to control the use of an identified asset for a period, the Group considers the following criteria:

1) The contract involves an identified asset; an asset is typically explicitly or implicitly specified in the contract.

2) The asset is physically distinct or represents substantially all of the capacity of the asset.

3) The Group has the right to obtain substantially all of the economic benefits from the use of the identified asset.

4) The Group has the right to direct the use of the identified asset. The Company is deemed to have the right to direct the use of the asset if any of the following conditions exist:

a) The Group has the right to decide how and for what purpose the asset is used throughout the period of use, or
b) Decisions about how and for what purpose the asset is used have been predetermined:

i) The Group has the right to operate the asset throughout the period of use (or to direct others to operate it in a way the Group determines), and the supplier does not have the right to change these operating instructions; or
j) The Company has designed the asset (or certain features of it) to predetermine how and for what purpose it will be used throughout the period of use.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14. Disclosures on leased assets (cont'd)

Right-of-use asset

The right-of-use asset is initially recognized using the cost model adjusted for inflation and includes:

1) The initial measurement amount of the lease liability,
2) The amount obtained after deducting all lease incentives received from lease payments made on or before the commencement date of the lease,
3) All initial direct costs incurred by the Group,
4) Costs incurred by the Company to restore the underlying asset to the condition required by the lease terms and conditions.

When applying the cost model, the Group measures the right-of-use asset at:

1) Cost less accumulated depreciation and accumulated impairment losses, and
2) Adjusted cost based on the remeasurement of the lease liability.

When amortizing the right-of-use asset, the Company applies the depreciation provisions set out in TAS 16 Property, Plant and Equipment standard. If the supplier transfers ownership of the underlying asset to the Company at the end of the lease term or if the right-of-use asset cost reflects that the Company will exercise a purchase option, the Company amortizes the right-of-use asset from the commencement date of the lease over the useful life of the underlying asset. Otherwise, the Company amortizes the right-of-use asset from the commencement date of the lease over the shorter of the asset's useful life or the lease term.

The Group applies TAS 36 Impairment of Assets standard to determine whether the right-of-use asset is impaired and to recognize any impairment loss identified.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14. Disclosures on leased assets (cont'd)

Leasing liability

At the commencement date of the lease, the Company measures the lease liability at the present value of lease payments not yet paid as of that date. Lease payments are discounted using the implicit interest rate in the lease if it can be readily determined; if not, the Company uses its incremental borrowing rate.

The lease payments included in the measurement of the lease liability that have not yet occurred as of the commencement date consist of:

1) Fixed payments less any lease incentives receivable,
2) Lease payments based on an index or rate, initially measured using the index or rate at the commencement date,
3) The exercise price of a purchase option if the Group is reasonably certain to exercise that option,
4) Penalty payments for terminating the lease if the Group is reasonably certain to exercise an option to terminate early.

After the commencement date, the Company measures the lease liability by:

1) Increasing the carrying amount to reflect interest on the lease liability,
2) Reducing the carrying amount to reflect lease payments made,
3) Remeasuring the carrying amount to reflect any reassessments or modifications. The Group recognizes the amount of any remeasurement of the lease liability as an adjustment to the right-of-use asset in its financial statements.

Extension and early termination options

The lease liability considers extension and early termination options in the contracts. Most of the extension and early termination options in the contracts consist of options that can be applied jointly by the Group and the lessor. The Group determines the lease term by including extension and early termination options in the lease term if these options are at the Group's discretion and their exercise is reasonably certain according to the relevant contract. If significant changes occur in the conditions, the evaluation is reviewed by the Group.

Group - as lessor

The Group does not have any assets subject to lease as a lessor.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15. Events after the reporting period

Events after the statement of financial position date include all events occurring between the statement of financial position date and the date the financial statements are authorized for issue, even if such events arise after any announcement of profit or other selected financial information to the public.

If events requiring adjustment occur after the statement of financial position date, the Group adjusts the amounts recognized in the financial statements to reflect the new conditions. Non-adjusting events arising after the statement of financial position date are disclosed in the notes to the financial statements if they are considered to affect the economic decisions of the users of the financial statements.

3.16. Significant accounting estimates and assumptions

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities, and the reported amounts of income and expenses during the reporting period. Although these estimates and assumptions are based on the Group management's best knowledge of current events and transactions, actual results may differ from these estimates. Significant estimates used are explained in note 3.3.e related to Expected Credit Losses.

3.17. Business combinations

Acquisition of subsidiary

The 98.5% stake of Türk Ticaret Bankası A.Ş. ("the Bank"), which was put up for sale by the Savings Deposit Insurance Fund (SDIF) through a tender in February, was purchased by İhracatı Geliştirme A.Ş., established in partnership with the Türkiye Exporters Assembly (TİM), The Türk Eximbank, 61 exporters' associations, and 20 banks, with the highest bid of TRY 1,379,134,577.

As of 28 April 2023, Türk Ticaret Bankası was transferred to İhracatı Geliştirme A.Ş., co-owned by the Türkiye Exporters Assembly, Exporters' Associations, Türk Eximbank, and 20 private and public banks.

İHRACATI GELİŞTİRME A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 4 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Cash Assets and Central Bank	1,772,786,363	-
Banks	10,666,669,256	10,046,400,302
- Demand deposit	*5,035*	*10,151*
-Time deposit	*10,666,664,221*	*10,046,390,151*
Provisions for expected credit loss	(5,303,854)	(20,350,136)
Central Bank	2,373,561	-
-Time Deposit	*1,168,844*	-
- Demand Deposit	*801,052*	-
- Required Reserve	*403,665*	-
Money Market Fund	51,343,227	-
Receivables from money markets	1,388,606,024	-
Banks in treasury operations	153,473,105	41,635,192
Total	**14,029,947,682**	**10,067,685,358**

Disclosure on required reserves

Banks established in Türkiye or operating in Türkiye through branches are subject to the Communiqué on Required Reserves No. 2013/15 issued by the Central Bank of the Republic of Türkiye, and based on the accounting standards and recording principles applicable to banks, the items specified in the communiqué, excluding liabilities to the Central Bank of the Republic of Türkiye, the Treasury, domestic banks, and the Turkish branches and headquarters of banks established by international agreements, constitute the liabilities subject to required reserves. Banks are required to maintain required reserves at the Central Bank of the Republic of Türkiye for Turkish Lira and foreign currency liabilities as specified in the communiqué. The maintenance period for required reserves begins on the Friday of the second week following the liability calculation date and lasts for 14 days. Required reserves can be held in Turkish Lira, USD, EUR, or standard gold at the Central Bank of the Republic of Türkiye, in accordance with the "Communiqué on Required Reserves." The required reserve ratios vary depending on the maturity of the liabilities, and are applied between 3% and 33% for Turkish Lira deposits and other liabilities, and between 5% and 30% for foreign currency deposits and other liabilities.

As of 31 December 2024, the average maturity of Turkish Lira time deposits in domestic banks was 32 days, with an average interest rate of 50.12% (31 December 2023: 46.29%).

As of 31 December 2024, there were no blocked balances on deposit accounts (31 December 2023: none).

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 4 - CASH AND CASH EQUIVALENTS (cont'd)

In the Group's statements of cash flows as of 31 December 2024 and 31 December 2023, cash and cash equivalents are presented by deducting interest accruals from cash and cash equivalents and adding provisions for expected credit loss.

	31 December 2024	31 December 2023
Cash and cash equivalents	14,029,947,682	10,067,685,358
Provisions for expected credit loss	5,303,854	20,350,136
Interest accruals (-)	(518,177,508)	(362,338,223)
Cash and cash equivalents in the cash flow statement	**13,517,074,028**	**9,725,697,271**

NOTE 5 - FINANCIAL INVESTMENTS

As of 31 December 2024 and 31 December 2023, the Group's financial investments measured at fair value are as follows:

Information on financial assets at fair value through other comprehensive income

Financial Assets Through Other Comprehensive Income	31 December 2024	31 December 2023
Debt securities	45,088,067	2,878,913
Publicly-traded	*45,088,067*	*2,878,913*
Total	**45,088,067**	**2,878,913**

	31 December 2024	31 December 2023
Pledged / blocked	23,907,000	-
Total	**23,907,000**	-

Expected credit loss movement table for the interim periods ended 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024	31 December 2023
Opening Balance	-	-
Provision set during the period	(21,158)	-
Monetary loss/gain	2,725	-
Closing Balance	**(18,433)**	-

İHRACATI GELİŞTİRME A.Ş.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

As of 31 December 2024 and 31 December 2023, the Group's trade receivables are as follows:

Short-term trade receivables	31 December 2024	31 December 2023
Customers	141,000	69,907
Doubtful trade receivables	12,344,870	4,863,345
Provision for doubtful trade receivables (-)	(12,344,870)	(4,863,345)
Total	**141,000**	**69,907**

Long-term trade receivables	31 December 2024	31 December 2023
Loans granted (*)	2,463,259,025	-
Expected credit loss provision	(11,607,384)	-
Total	**2,451,651,641**	-

* The loans consist of Stage 1 loans granted.

Expected credit loss movement table for the interim periods ended 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024	31 December 2023
Opening Balance	-	-
Provision set during the period	(11,774,661)	-
Monetary loss/gain	167,277	-
Closing Balance	**(11,607,384)**	-

b) Trade payables

As of 31 December 2024 and 31 December 2023, the Group's trade payables are as follows:

Short-term trade payables	31 December 2024	31 December 2023
Suppliers	24,455,409	40,586,683
Expense accruals	143,164	-
Other trade payables	43,909	76,769
Total	**24,642,482**	**40,663,452**

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 7- OTHER RECEIVABLES AND PAYABLES

a) Other receivables

Other short-term receivables	31 December 2024	31 December 2023
Advances given for purchase orders	30,800	-
Receivables from personnel	1,130	105,014
Other receivables	27,695	4,011
Total	**59,625**	**109,025**

b) Other payables

Other short-term payables	31 December 2024	31 December 2023
Payables to the Treasury	153,455,002	41,635,190
Taxes and funds payable	2,278,934	1,910,896
Private pension deductions payable	7,325	4,357
Other miscellaneous payables	37,500	54,145
Total	**155,778,761**	**43,604,588**

Other long-term payables	31 December 2024	31 December 2023
Taxes, duties, fees and premiums payable	18,133,924	2,165,682
Total	**18,133,924**	**2,165,682**

Short-term borrowings	31 December 2024	31 December 2023
Commercial Institution Deposits	3,857,698,000	-
Foreign Exchange Deposit Account	39,608,000	-
Saving Deposits	13,528,000	-
Bank Credit Card Account	202,760	49,186
Total	**3,911,036,760**	**49,186**

Bank Loans	31 December 2024	31 December 2023
Bank Loans	3,268,415	-
Total	**3,268,415**	-

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 8 - PREPAID EXPENSES

Short-term prepaid expenses	31 December 2024	31 December 2023
Prepaid expenses for future months	28,193,665	22,914,853
Work advances	-	8,697,376
Total	**28,193,665**	**31,612,229**

Long-term prepaid expenses	31 December 2024	31 December 2023
Prepaid expenses for future years	-	18,159
Total	-	**18,159**

NOTE 9 - PROPERTY, PLANT, AND EQUIPMENT

	Fixtures and fittings	Real Estates	Leasehold improvements	Vehicles	Total
Cost Value					
Opening balance as of 1 January 2024	4,467,101	67,508,333	319,279	-	**72,294,713**
Additions	216,783,727	-	10,403,379	4,500,000	**231,687,106**
Disposals	(990,132)	-	-	-	**(990,132)**
Revaluation	-	-	-	-	-
Closing balance as of 31 December 2024	**220,260,696**	**67,508,333**	**10,722,658**	**4,500,000**	**302,991,687**
Accumulated Depreciations					
Opening balance as of 1 January 2024	(2,318,245)	-	(317,455)	-	**(2,635,700)**
Expense for the period	(26,221,523)	(5,284,629)	(330,586)	(75,000)	**(31,911,738)**
Disposals	1,128,608	-	-	-	**1,128,608**
Closing balance as of 31 December 2024	**(27,411,160)**	**(5,284,629)**	**(648,041)**	**(75,000)**	**(33,418,830)**
Net carrying amount as of 31 December 2024	**192,849,536**	**62,223,704**	**10,074,617**	**4,425,000**	**269,572,857**
Net carrying amount as of 1 January 2024	**2,148,856**	**67,508,333**	**1,824**	-	**69,659,013**

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NOTE 9 - PROPERTY, PLANT, AND EQUIPMENT (Cont'd)

	Fixtures and fittings	Leasehold improveme	Real estates	Total
Cost Value				
Opening balance as of 1 January 2023	4,783,911	319,279	-	5,103,190
Additions	846,778	-	-	846,778
Disposals	(1,163,588)	-	-	(1,163,588)
Acquired through business combination	-	-	67,508,333	67,508,333
Closing balance as of 31 December 2023	**4,467,101**	**319,279**	**67,508,333**	**72,294,713**
Accumulated Depreciations				
Opening balance as of 1 January 2023	(891,319)	(158,324)	-	**(1,049,643)**
Expense for the period	(1,426,926)	(159,131)	-	**(1,586,057)**
Closing balance as of 31 December 2023	**(2,318,245)**	**(317,455)**	**-**	**(2,635,700)**
Net carrying amount as of 31 December 2023	**2,148,856**	**1,824**	**67,508,333**	**69,659,013**
Net carrying amount as of 1 January 2023	**3,892,592**	**160,955**	**-**	**4,053,547**

As of 31 December 2024 and 2023, the entire depreciation expense is recorded under the "Cost of Sales" account in the income statement. As of December 31, 2024 and 2023, there are no mortgages on the tangible assets.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 10 - INTANGIBLE ASSETS

	Rights	Banking license	Total
Cost Value			
Opening balance as of 1 January 2024	117,231,155	983,824,237	**1,101,055,392**
Additions	264,485,705	-	**264,485,705**
Closing balance as of 31 December 2024	**381,716,860**	**983,824,237**	**1,365,541,097**
Accumulated Amortizations			
Opening balance as of 1 January 2024	(20,732,964)	-	**(20,732,964)**
Expense for the period	(27,902,707)	-	**(27,902,707)**
Closing balance as of 31 December 2024	**(48,635,671)**	-	**(48,635,671)**
Net carrying amount as of 31 December 2024	**333,081,189**	**983,824,237**	**1,316,905,426**
Net carrying amount as of1 January 2024	**96,498,191**	**983,824,237**	**1,080,322,428**

	Rights	Banking license	Total
Cost Value			
Opening balance as of 1 January 2023	32,455,529	-	**32,455,529**
Additions	48,861,643	-	**48,861,643**
Acquired through business combination	35,913,983	983,824,237	**1,019,738,220**
Closing balance as of 31 December 2023	**117,231,155**	**983,824,237**	**1,101,055,392**
Accumulated Amortizations			
Opening balance as of 1 January 2023	(2,157,584)	-	**(2,157,584)**
Expense for the period	(18,575,380)	-	**(18,575,380)**
Closing balance as of 31 December 2023	**(20,732,964)**	-	**(20,732,964)**
Net carrying amount as of 31 December 2023	**96,498,191**	**983,824,237**	**1,080,322,428**
Net carrying amount as of 1 January 2023	**30,297,945**	-	**30,297,945**

As of 31 December 2024 and 2023, the entire amortization expense is recorded under the "Cost of Sales" account in the income statement.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 11 - RIGHTS-OF-USE ASSETS

Cost Value	1 January 2024	Additions/Disposals (-)	31 December 2024
Buildings	18,980,722	100,801,540	119,782,262
Vehicles	12,391,069	126,953,163	139,344,232
Total	**31,371,791**	**227,754,703**	**259,126,494**

Accumulated depreciation	1 January 2024	Additions/Disposals (-)	31 December 2024
Buildings	(7,128,290)	(13,986,072)	(21,114,362)
Vehicles	(7,356,171)	(25,775,145)	(33,131,316)
Total	**(14,484,461)**	**(39,761,217)**	**(54,245,678)**
Net carrying amount	**16,887,330**		**204,880,816**

Cost Value	1 January 2023	Additions/Disposals (-)	31 December 2023
Buildings	17,820,730	1,159,992	18,980,722
Vehicles	2,142,912	10,248,157	12,391,069
Total	**19,963,642**	**11,408,149**	**31,371,791**

Accumulated depreciation	1 January 2023	Additions/Disposals (-)	31 December 2023
Buildings	(3,564,144)	(3,564,146)	(7,128,290)
Vehicles	(1,556,383)	(5,799,788)	(7,356,171)
Total	**(5,120,527)**	**(9,363,934)**	**(14,484,461)**
Net carrying amount	**14,843,115**		**16,887,330**

As of 31 December 2024 and 2023, the Company's lease liabilities are as follows:

	31 December 2024	31 December 2023
Liabilities from short-term leasing transactions	50,212,127	4,072,114
Liabilities from long-term leasing transactions	141,825,210	7,316,377
Total	**192,037,337**	**11,388,491**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 11 - RIGHTS-OF-USE ASSETS (cont'd)

Presentation of lease investments by remaining maturity:

	Current Period		Previous Period	
	Gross	**Net**	**Gross**	**Net**
Less than 1 year	51,249,545	50,212,127	4,605,561	4,072,114
1 - 5 years	143,447,084	141,825,210	8,413,834	7,316,377
More than 5 years	-	-	-	-
Total	**194,696,629**	**192,037,337**	**13,019,395**	**11,388,491**

NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS

a) Payables within the scope of short-term employee benefits

	31 December 2024	31 December 2023
Social security premiums payable	1,411,477	1,363,164
Payables to personnel	10,540	2,785
Total	**1,422,017**	**1,365,949**

b) Short-term provisions for employee benefits

	31 December 2024	31 December 2023
Provision for premiums	19,873,799	24,500,376
Provisions for unused leaves	3,977,214	2,328,437
Total	**23,851,013**	**26,828,813**

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NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS (cont'd)

b) Short-term provisions for employee benefits (cont'd)

Provision for leaves

According to the applicable labor law in Türkiye, the Group is obligated to pay to employees or their beneficiaries the wages related to unused annual leave entitlements earned by employees if the employment contract is terminated for any reason, calculated based on the salary at the termination date of the contract.

The movements of the leave provision for the years ended 31 December 2024 and 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	2,328,437	742,508
Earned/used (net)	2,714,013	1,877,812
Monetary loss (gain)	(1,065,236)	(291,883)
Closing balance as of December 31	**3,977,214**	**2,328,437**

Provision for premiums

The movements of the premium provision for the years ended 31 December 2024 and 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	24,500,376	-
Earned/used (net)	3,333,607	31,177,074
Monetary loss (gain)	(7,960,184)	(6,676,698)
Closing balance as of December 31	**19,873,799**	**24,500,376**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS (cont'd)

c) Long-term provisions for employee benefits

	31 December 2024	31 December 2023
Provisions for severance pay	6,216,950	11,212,416
Total	**6,216,950**	**11,212,416**

Under the provisions of the Labor Law in force in Türkiye, the Company has an obligation to pay statutory severance pay to employees whose employment contracts are terminated and who qualify for severance pay. Additionally, pursuant to Article 60 of the Social Insurance Law No. 506, as amended by Law No. 2422 dated 6 March 1981, and Law No. 4447 dated 25 August 1999, the Company is also obliged to pay statutory severance to those employees who have earned the right to severance pay upon termination of employment. Some transitional provisions related to pre-retirement service requirements were excluded from the Law by amendments dated 23 May 2002.

According to the current labor law in Türkiye, the Company is obliged to pay certain amounts to employees who have completed at least 1 year of service and leave the company due to retirement, military service, or death. The provision for severance pay represents the present value of the Company's estimated future probable obligation in case its employees retire, calculated on the basis of 30 days' salary. This provision is calculated assuming that all employees are subject to such payments and is reflected on an accrual basis in the financial statements. The provision for severance pay is calculated based on the severance pay ceiling announced by the Government. As of 31 December 2024, the severance pay ceiling is TRY 46,655.43 (31 December 2023: TRY 35,058.58).

Since the severance pay liability is not mandatory, it is not subject to any funding.

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS (cont'd)

c) Long-term provisions for employee benefits (cont'd)

The severance pay liability is calculated based on the present value of the Group's estimated future probable obligation arising from the retirement of its employees. TAS 19 "Employee Benefits" requires that the enterprise's obligations be calculated using actuarial valuation methods within the scope of defined benefit plans.

The movement of the severance pay liability for the current period is explained below:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	11,212,416	205,822
Current period effect	2,168,794	1,718,094
Interest cost	1,603,140	626,025
Severance payment made	(2,553,679)	(447,131)
Actuarial loss / gain	2,603,202	351,376
Acquired through business combination	-	9,516,005
Monetary loss / (gain)	(8,816,923)	(757,775)
Closing balance as of December 31	**6,216,950**	**11,212,416**

The actuarial assumptions used in the calculation of total liabilities are stated below. Actuarial losses / (gains) are recognized in the comprehensive income statement under "Defined Benefit Plans Re-measurement Gains/Losses".

The main assumption is that the maximum liability per service year increases in line with inflation. Therefore, the discount rate applied represents the expected real interest rate adjusted for future inflation effects. As of 31 December 2024 and 31 December 2023, the liabilities in the attached financial statements are calculated by estimating the present value of future probable obligations arising from employees' retirement.

	31 December 2024	31 December 2023
Net discount rate	2.98%	1.57%
Rate used with respect to probability of retirement	100%	100%

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NOTE 12 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS AND SHORT- AND LONG-TERM PROVISIONS (cont'd)

d) Other short-term provisions

Other short-term provisions	31 December 2024	31 December 2023
Provision for expected credit loss	89,884,122	57,009,267
Total	**89,884,122**	**57,009,267**

The movement of the provision for expected credit losses for the current period is explained below:

	31 December 2024	31 December 2023
Opening balance	57,009,267	-
Provision expense for the current period (net)	57,848,266	72,891,055
Monetary loss (gain)	(24,973,411)	(15,881,788)
Closing balance as of December 31	**89,884,122**	**57,009,267**

NOTE 13 - OTHER ASSETS AND LIABILITIES

a) Other current assets

Other current assets	31 December 2024	31 December 2023
VAT Carried Forward	145,907	272,454
Personnel advances	80,000	-
Other miscellaneous current assets	56,754,200	-
Total	**56,980,107**	**272,454**

b) Other short-term liabilities

Other short-term liabilities	31 December 2024	31 December 2023
Other miscellaneous liabilities	137,961,253	1,218,553
Total	**137,961,253**	**1,218,553**

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 14 - DEFERRED INCOMES

	31 December 2024	31 December 2023
Deferred income (*)	406,947,858	608,276,857
Total	**406,947,858**	**608,276,857**

(*) Represents commission income collected in advance by the Group for future periods.

NOTE 15 - EQUITY

a) Paid-up capital

As of 31 December 2024 and 31 December 2023, the shareholding structure of the Company is as follows:

	Share ratio (%)		Share amount (TRY)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
EXPORTERS' ASSOCIATIONS	77.30	74.98	6,278,278,442	3,602,482,540
BANKS	12.62	14.04	1,024,948,696	674,610,213
TÜRKİYE EXPORTERS ASSEMBLY	5.08	5.98	412,369,898	287,265,673
TÜRK EXIMBANK A.Ş.	5.00	5.00	406,084,054	240,229,391
Paid-up Capital	**100**	**100**	**8,121,681,090**	**4,804,587,817**
Capital adjustment differences			8,756,752,413	8,288,457,536
Total			**16,878,433,503**	**13,093,045,353**

31 December 2024	Shareholding Ratio (%)	Group A	Group B	Group C	Group D	Total
TÜRKİYE EXPORTERS ASSEMBLY	5.08	412,369,898				**412,369,898**
TÜRK EXIMBANK A.Ş.	5.00		406,084,054			**406,084,054**
EXPORTERS' ASSOCIATIONS	77.30			6,278,278,442		**6,278,278,442**
BANKS	12.62				1,024,948,696	**1,024,948,696**
Nominal Capital	**100**	**412,369,898**	**406,084,054**	**6,278,278,442**	**1,024,948,696**	**8,121,681,090**

31 December 2023	Shareholding Ratio (%)	Group A	Group B	Group C	Group D	Total
TÜRKİYE EXPORTERS ASSEMBLY	5.98	287,265,673				**287,265,673**
TÜRK EXIMBANK A.Ş.	5.00		240,229,391			**240,229,391**
EXPORTERS' ASSOCIATIONS	74.98			3,602,482,540		**3,602,482,540**
BANKS	14.04				674,610,213	**674,610,213**
Nominal Capital	**100**	**287,265,673**	**240,229,391**	**3,602,482,540**	**674,610,213**	**4,804,587,817**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 15 - EQUITY (cont'd)

a) Paid-up capital (cont'd)

The Group's issued capital is divided into a total of 8,121,681,090 shares, all registered shares, with a nominal value of 1.00 Turkish Lira each, consisting of 412,369,898 Class A shares, 406,084,054 Class B shares, 6,278,278,442 Class C shares, and 1,024,948,695 Class D shares, with a total nominal value of TRY 121,681,090.

Of the current period capital increase, TRY 1,677,828,686 corresponds to external source cash capital increase. And TRY 2,107,559,465 corresponds to internal source capital increase.

The Group's shareholding structure at the company level is as follows:

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
TÜRKİYE EXPORTERS ASSEMBLY	412,369,898	5.08	A

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
EXIMBANK	406,084,054	5.00	B

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
TÜRKİYE EXPORTERS ASSEMBLY	412,369,898	5.08	A
EXIMBANK	406,084,054	5.00	B
Total	**818,453,952**	**10.08%**	

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NOTE 15 - EQUITY (cont'd)

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
ULUDAĞ AUTOMOTIVE INDUSTRY EXPORTERS' ASSOCIATION	557,213,915	6.86%	C
ISTANBUL CHEMICALS AND PRODUCTS EXPORTERS' ASSOCIATION	397,939,475	4.90%	C
ISTANBUL APPAREL EXPORTERS' ASSOCIATION	343,665,239	4.23%	C
SERVICES EXPORTERS' ASSOCIATION	252,646,562	3.11%	C
ELECTRICAL AND ELECTRONICS EXPORTERS' ASSOCIATION	252,085,896	3.10%	C
ISTANBUL FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	239,153,743	2.94%	C
STEEL EXPORTERS' ASSOCIATION	234,548,803	2.89%	C
MEDITERRANEAN CHEMICALS AND PRODUCTS EXPORTERS' ASSOCIATION	225,610,449	2.78%	C
T.C. ZİRAAT BANKASI A.Ş.	194,742,471	2.40%	D
TÜRKİYE VAKIFLAR BANKASI T.A.O	194,742,471	2.40%	D
ISTANBUL FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	192,256,685	2.37%	C
MEDITERRANEAN FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	168,828,825	2.08%	C
CEMENT AND CLAY PRODUCTS EXPORTERS' ASSOCIATION	163,539,401	2.01%	C
ISTANBUL TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	153,237,479	1.89%	C
ISTANBUL MINERAL EXPORTERS' ASSOCIATION	144,923,582	1.78%	C
MACHINERY AND ACCESSORIES EXPORTERS' ASSOCIATION	137,907,973	1.70%	C
SOUTHEAST ANATOLIAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	137,451,787	1.69%	C
ISTANBUL CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	128,388,590	1.58%	C
SOUTHEAST ANATOLIAN CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION B	126,274,641	1.55%	C
MEDITERRANEAN CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	126,014,451	1.55%	C
DENIZLI EXPORTERS' ASSOCIATION	120,687,675	1.49%	C
MEDITERRANEAN FRESH FRUIT AND VEGETABLE EXPORTERS' ASSOCIATION	119,238,860	1.47%	C
AEGEAN FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	105,773,159	1.30%	C
MEDITERRANEAN FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	96,948,323	1.19%	C
EASTERN ANATOLIAN EXPORTERS' ASSOCIATION	90,449,298	1.11%	C
YAPI KREDİ BANKASI A.Ş.	77,111,469	0.95%	D
AKBANK T.A.Ş.	77,111,469	0.95%	D
T.GARANTİ BANKASI A.Ş.	77,111,469	0.95%	D
TÜRKİYE İŞ BANKASI A.Ş.	77,111,469	0.95%	D
T.HALKBANKASI A.Ş.	73,304,016	0.90%	D
WEST MEDITERRANEAN EXPORTERS' ASSOCIATION	69,083,207	0.85%	C
MEDITERRANEAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	68,534,341	0.84%	C
BLACK SEA HAZELNUT AND PRODUCTS EXPORTERS' ASSOCIATION	67,131,184	0.83%	C
AEGEAN MINERAL EXPORTERS' ASSOCIATION	63,341,394	0.78%	C
JEWELRY EXPORTERS' ASSOCIATION	62,678,210	0.77%	C
ULUDAĞ APPAREL EXPORTERS' ASSOCIATION	60,277,401	0.74%	C
AEGEAN TOBACCO EXPORTERS' ASSOCIATION	59,546,803	0.73%	C
CENTRAL ANATOLIAN FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	57,870,483	0.71%	C

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NOTE 15 - EQUITY (cont'd)

Shareholders	Capital Amount (TRY)	Share Ratio (%)	Group
ISTANBUL LEATHER AND LEATHER PRODUCTS EXPORTERS' ASSOCIATION	56,722,436	0.70%	C
CENTRAL ANATOLIAN CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	55,846,082	0.69%	C
ISTANBUL FISHERIES AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	55,817,734	0.69%	C
AEGEAN FISHERIES AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	54,977,334	0.68%	C
SHIP, YACHT, AND MARINE SERVICES EXPORTERS' ASSOCIATION	53,022,309	0.65%	C
SOUTHEAST ANATOLIAN CARPET EXPORTERS' ASSOCIATION	52,903,556	0.65%	C
DEFENSE INDUSTRY EXPORTERS' ASSOCIATION	51,740,086	0.64%	C
ZİRAAT KATILIM BANKASI A.Ş.	49,141,567	0.61%	D
AIR CONDITIONING INDUSTRY EXPORTERS' ASSOCIATION	48,413,750	0.60%	C
AEGEAN FURNITURE, PAPER AND FORESTRY PRODUCTS EXPORTERS' ASSOCIATION	47,717,241	0.59%	C
MEDITERRANEAN APPAREL EXPORTERS' ASSOCIATION	47,565,964	0.59%	C
AEGEAN APPAREL EXPORTERS' ASSOCIATION	47,177,458	0.58%	C
ULUDAĞ TEXTILE EXPORTERS' ASSOCIATION	47,159,103	0.58%	C
EASTERN BLACK SEA EXPORTERS' ASSOCIATION	46,583,650	0.57%	C
ANKARA FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION	45,349,515	0.56%	C
AEGEAN CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	44,784,343	0.55%	C
ISTANBUL CARPET EXPORTERS' ASSOCIATION	42,499,939	0.52%	C
ISTANBUL DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	42,461,572	0.52%	C
AEGEAN FRESH FRUIT AND VEGETABLE EXPORTERS' ASSOCIATION	41,732,027	0.51%	C
AEGEAN TEXTILE AND RAW MATERIALS EXPORTERS' ASSOCIATION	40,484,057	0.50%	C
ISTANBUL HAZELNUT AND HAZELNUT PRODUCTS EXPORTERS' ASSOCIATION	38,698,265	048%	C
ULUDAĞ FRUIT AND VEGETABLE PRODUCTS EXPORTERS' ASSOCIATION	38,073,407	0.47%	C
ISTANBUL FRESH FRUITS AND VEGETABLES EXPORTERS' ASSOCIATION	38,030,700	0.47%	C
MEDITERRANEAN FISHERIES AND ANIMAL PRODUCTS EXPORTERS' ASSOCIATION	32,991,165	0.41%	C
AEGEAN OLIVE AND OLIVE OIL EXPORTERS' ASSOCIATION	32,498,355	0.40%	C
BLACK SEA CEREALS, PULSES, OILSEEDS AND PRODUCTS EXPORTERS' ASSOCIATION	30,899,590	0.38%	C
TÜRK EKONOMİ BANKASI A.Ş.	29,025,926	0.36%	D
KUVEYT TÜRK KATILIM BANKASI A.Ş.	29,025,926	0.36%	D
ING BANK A.Ş.	29,025,926	0.36%	D
QNB FİNANSBANK A.Ş.	29,025,926	0.36%	D
TÜRKİYE FİNANS KATILIM BANKASI A.Ş.	29,025,926	0.36%	D
SOUTHEAST ANATOLIAN DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	28,762,311	0.35%	C
ULUDAĞ FRESH FRUIT AND VEGETABLE EXPORTERS' ASSOCIATION	25,087,604	0.31%	C
AEGEAN LEATHER AND LEATHER PRODUCTS EXPORTERS' ASSOCIATION	23,727,745	0.29%	C
ISTANBUL DRIED FRUITS AND PRODUCTS EXPORTERS' ASSOCIATION	22,659,157	0.28%	C
ORNAMENTAL PLANTS AND PRODUCTS EXPORTERS' ASSOCIATION	20,644,153	0.25%	C
ODEA BANK A.Ş.	14,655,706	0.18%	D
ŞEKERBANK T.A.Ş.	11,749,395	0.14%	D
DENİZBANK A.Ş.	9,824,896	0.12%	D
ALTERNATİFBANK A.Ş.	5,803,167	0.07%	D
VAKIF KATILIM BANKASI A.Ş.	5,803,167	0.07%	D
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.	5,803,167	0.07%	D
ANADOLUBANK A.Ş.	5,803,167	0.07%	D
Total	**7,303,227,138**	**89.92%**	

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NOTE 15 - EQUITY (cont'd)

31 December 2024	(%)Shareholding Ratio	Total
EXPORTERS' ASSOCIATIONS	77.30%	**6,278,278,443**
BANKS	12.62%	**1,024,948,695**
TÜRKİYE EXPORTERS ASSEMBLY	5.08%	**412,369,898**
TÜRK EXIMBANK A.Ş.	5.00%	**406,084,054**
Nominal Capital	**100%**	**8,121,681,090**

a) Reserves on retained earnings

	31 December 2024	31 December 2023
Legal reserves	262,643,946	132,975,219
Total	**262,643,946**	**132,975,219**

According to Article 519 of the Turkish Commercial Code, the general legal reserve is allocated at a rate of 5% of the annual profit until it reaches 20% of the Group's paid-up capital. After this limit is reached, 10% of the portion of the profit distributed to shareholders exceeding a 5% dividend is added to the general legal reserve. According to the Turkish Commercial Code, as long as the general legal reserve does not exceed 50% of the capital or issued capital, it may only be used to offset losses, to maintain operations in times of financial difficulty, or to take measures to prevent unemployment or mitigate its consequences.

	31 December 2024	31 December 2023
Profits / (losses) from previous years	(6,388,924,583)	(3,388,361,167)
Total	**(6,388,924,583)**	**(3,388,361,167)**

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NOTE 16 - SALES AND COST OF SALES

a) Sales

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	378,716,705	-
Commission income	286,683,032	955,557,126
Application fee income	-	26,809,456
Returns from sales (-)	(5,187,149)	-
Other income	6,256,426	1,176,034
Net sales	**666,469,014**	**983,542,616**
Cost of sales (-)	(253,441,255)	(183,823,002)
Gross profit	**413,027,759**	**799,719,614**

b) Cost of sales

	1 January - 31 December 2024	1 January - 31 December 2023
Depreciation and amortization expenses	99,575,662	11,732,483
Personnel expenses	89,652,484	129,155,260
Interest Expenses	44,976,409	-
Commission Expenses	535,831	-
Other expenses	18,700,869	42,935,259
Total	**253,441,255**	**183,823,002**

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NOTE 17 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

a) General administrative expenses

	1 January - 31 December 2024	1 January - 31 December 2023
General administrative expenses	526,956,483	84,080,886
Total	**526,956,483**	**84,080,886**

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	328,418,926	36,415,214
Operating expenses	189,290,549	35,951,726
Consultancy expenses	6,055,082	6,437,731
Travel expenses	1,728,585	1,851,526
Representation and entertainment expenses	166,103	79,618
Tax, duty and fee expenses	41,164	45,674
Insurance expenses	22,945	2,945,022
Other	1,233,129	354,375
Total	**526,956,483**	**84,080,886**

b) Marketing expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Marketing expenses	5,737,154	5,442,136
Total	**5,737,154**	**5,442,136**

	1 January - 31 December 2024	1 January - 31 December 2023
Meeting expenses	3,780,142	3,176,220
Promotion and printed materials	1,153,127	738,596
Agency expenses	803,885	1,527,320
Total	**5,737,154**	**5,442,136**

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 18 – OPERATING INCOME / (EXPENSES)

a) Other operating income

	31 December 2024	31 December 2023
Foreign exchange profits	5,185,939	5,071,008
Securities valuation income	2,929,323	32,800,210
Provisions no longer required	-	879,414
Total	**8,115,262**	**38,750,632**

b) Other operating expenses

	31 December 2024	31 December 2023
Provision expenses	36,649,661	10,717,951
Provision expenses for expected credit losses	30,563,741	72,919,060
Donations and grants (*)	-	216,264,007
Other	25,369,210	9,109,877
Total	**92,582,612**	**309,010,895**

(*) An amount of TRY 144,378,771 from the balance consists of grants for the earthquake that occurred on 6 February 2023.

NOTE 19 – FINANCIAL INCOMES AND EXPENSES

a) Financing income

	31 December 2024	31 December 2023
Interest income	4,969,864,217	3,674,439,759
Exchange difference income	110,858	7,419,085
Total	**4,969,975,075**	**3,681,858,844**

b) Financing expenses

	31 December 2024	31 December 2023
Interest expense	996,012	2,030,786
Total	**996,012**	**2,030,786**

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NOTE 20 - INCOME TAXES

a) Corporate tax

The Company is exempt from corporate tax; however, its subsidiary Türk Ticaret Bankası, being a financial institution, is subject to corporate tax at a rate of 30%. It is subject to the tax legislation and practices currently in force in Türkiye. Corporate tax returns are filed by the twenty-fifth day of the fourth month following the end of the fiscal period they relate to and are paid in a single installment by the end of the relevant month.

Corporate tax rate in Türkiye applied to the legal tax base which is determined by the addition of non-deductible expenses to the commercial income of the corporations pursuant to the tax laws and the deduction of the exclusions in the tax laws was 20% after 1 January 2021. However, with Article 11 of Law No. 7316 on the Procedure for the Collection of Public Receivables, which was published in the Official Gazette No. 31462 dated 22 April 2021 and came into force, and with the addition of Provisional Article 13 to Corporate Tax Law No. 5520, the corporate tax rate was arranged to be applied as 23% for corporate earnings related to the 2022 taxation period, 30% for corporate earnings related to the 2023 taxation period, and 25% for corporate earnings related to the 2024 taxation period.

In accordance with this change, deferred tax assets and liabilities in the financial statements dated 31 December 2024 have been calculated using a tax rate of 25% for the portions of temporary differences that will have a tax effect in 2024 and subsequent periods.

According to the Corporate Tax Law, financial losses declared on the tax return can be deducted from the corporate tax base of the period, provided that the deduction period does not exceed five years. Returns and related accounting records may be examined within five years by the tax office, and tax accounts may be revised.

15% income tax applies to dividends distributed by resident joint stock corporations to those other than those not liable for and those exempt from corporate tax and income tax, to resident real persons and non-resident real persons and non-resident corporations.

Dividend distributions by resident joint stock companies to resident joint stock companies are not subject to income tax. Furthermore, in the event the profit is not distributed or included in capital, no income tax shall be applicable.

The dividend earnings of the corporations through participation with the capital of another corporation subject to full tax obligation (excluding the dividends earned through participation certificates of investment funds and shares of investment partnerships) are exempted from the corporate tax. In addition, 75% of the profits arising from the sale of the participation shares in the assets of the corporations for at least two full years and the founding certificates of the real estates (immovable properties) owned for the same period of time, the usufruct shares and the preference rights are exempt from corporate tax as of 31 December 2024. However, by the amendment introduced by the law no. 7061, such rate was reduced from 75% to 50% in terms of real estates, and such rate has been used as 50% in the tax returns to be issued as from 2018.

In order to benefit from the exception, the proceeds should be kept as liabilities in a fund account and should not be withdrawn from the operation for a period of 5 years. The sales amount should be collected before the end of the second calendar year following the sale.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 20 - INCOME TAXES (cont'd)

a) Corporate tax (cont'd)

There is no practice like reaching a consensus with the tax authority for the taxes to be paid in Türkiye. Corporate tax returns are submitted within four months following the close of the fiscal year. Tax examination authorities can examine tax returns and underlying accounting records for the five years following the accounting period, and can re-impose tax as a consequence of their findings.

	1 January - 31 December 2024	1 January - 31 December 2023
Recognized in profit or loss		
Tax expense for the current period:		
Tax expense for the period	-	(10,219,354)
Deferred tax income / (expense):		
Due to provisional differences	23,602,956	(54,362,328)
Total tax expense	**23,602,956**	**(64,581,682)**

b) Deferred tax asset and liability

Deferred tax is calculated using the balance sheet method based on temporary differences, excluding goodwill that is not deductible for tax purposes and differences arising from assets and liabilities recognized for the first time in accounting but not subject to tax, by comparing the carrying amounts of assets and liabilities in the financial statements with their tax bases.

	1 January - 31 December 2024	1 January - 31 December 2023
From financial losses	39,311,095	-
Unearned income	17,374,424	-
From provisions	10,079,464	-
Provision for employee benefits	1,573,065	-
From provisions for litigations	870,000	-
Total deferred tax asset	**69,208,048**	-

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NOTE 20 - INCOME TAXES (cont'd)

b) Deferred tax asset and liability (cont'd)

	1 January - 31 December 2024	1 January - 31 December 2023
Right-of-use asset	(58,403,591)	-
Licenses and property, plant, and equipment	(7,997,123)	-
Banking License and Rights	(306,029,145)	(326,173,966)
Total deferred tax liability	**(372,429,859)**	**(326,173,966)**
Total	**(303,221,811)**	**(326,173,966)**

The movement table of deferred tax assets and liabilities is as follows:	1 January - 31 December 2024	1 January - 31 December 2023
Deferred tax liability at the beginning of the period	326,173,966	-
Deferred tax arising from business combinations	-	271,723,794
Deferred tax expense/(income) recognized in profit or loss	(23,602,956)	54,362,328
Deferred tax expense recognized in other comprehensive income	650,801	87,844
Total deferred tax liability	**303,221,811**	**326,173,966**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 21 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS

Capital management

The Group aims to increase its profit by maintaining a balance between ensuring the continuity of its operations and using the debt and equity balance in the most efficient way in capital management. The Company's capital structure consists of cash and cash equivalents and equity items disclosed in the equity footnote, including issued capital, capital reserves, and retained earnings. The risks associated with each class of capital, along with the Company's cost of capital, are evaluated by the Company's senior management. The Company monitors capital using the debt/equity ratio. This ratio is calculated by dividing net debt by total equity. Net debt is calculated by deducting cash and cash equivalents from the total borrowings (as presented in the financial position statement, including financial liabilities, trade and other payables, and short- and long-term other liabilities). However, the Company does not have any financial debt.

	31 December 2024	31 December 2023
Total liabilities	**5,278,936,911**	**1,133,270,713**
Less: Cash and cash equivalents (Note 4)	(14,029,947,682)	(10,067,685,358)
Net financial debt / (asset)	**(8,751,010,771)**	**(8,934,414,645)**
Total equity	**13,124,483,975**	**10,136,244,103**
Net Debt/Equity Ratio	**(67%)**	**(88%)**

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NOTE 21 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk

As of 31 December 2024 and 2023, the maximum credit risk to which the Group is exposed is as follows:

	Trade Receivables		Other Receivables		Cash and Cash Equivalents
31 December 2024	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposits at Banks**
Maximum credit risk exposure as of reporting date (A+B+C)	**-**	**2,451,792,641**	**27,695**	**31,930**	**10,666,669,256**
- Portion of the maximum risk secured by collateral, etc.	-	2,420,213,000	-	-	-
A. Net carrying amount of financial assets not yet due or impaired	-	2,451,792,641	27,695	31,930	10,666,669,256
B. Carrying amount of financial assets past due but not impaired	-	-	-	-	-
C. Net carrying amounts of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	12,344,870	-	-	-
- Impairment (-)	-	(12,344,870)	-	-	-
D. Off-balance sheet items containing credit risk	-	28,978,756,060	-	-	-

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") at the purchasing power as of 31 December 2024, reflecting the effects of inflation.)

NOTE 21 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

	Trade Receivables		Other Receivables		Cash and Cash Equivalents
31 December 2023	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposits at Banks**
Maximum credit risk exposure as of reporting date (A+B+C)	**-**	**69,907**	**-**	**109,025**	**10,046,400,302**
- Portion of the maximum risk secured by collateral, etc.	-	-	-	-	-
A. Net carrying amount of financial assets not yet due or impaired	-	69,907	-	109,025	10,046,400,302
B. Carrying amount of financial assets past due but not impaired	-	-	-	-	-
C. Net carrying amounts of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	4,863,345	-	-	-
- Impairment (-)	-	(4,863,345)	-	-	-
D. Off-balance sheet items containing credit risk	-	31,132,744,584	-	-	-

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NOTE 21 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will have difficulty in meeting its obligations arising from financial liabilities. The Group's approach to liquidity management is to ensure that it has sufficient liquidity at all times to meet its obligations as they fall due, both under normal and stressed conditions, without incurring any loss. However, the Company does not have any financial debt except for lease liabilities.

The amounts shown in the table below represent the contractual undiscounted cash outflows as of 31 December 2024:

Non-derivative financial liabilities	Carrying amount	Contractual cash outflows	Up to 3 months	3-12 months	1-5 years
Other borrowings	3,911,036,760	3,911,036,760	3,911,036,760	-	-
Lease liabilities	192,037,337	203,743,342	-	4,324,631	199,418,711
Bank loans	4,902,623	4,902,623	-	1,634,208	3,268,415
Trade payables	24,642,482	24,642,482	24,642,482	-	-
Payables within the scope of employee benefits	1,422,017	1,422,017	1,422,017	-	-
Other payables	173,912,685	173,912,685	173,912,685	-	-
Total	**4,307,953,904**	**4,319,659,909**	**4,111,013,944**	**5,958,839**	**202,687,126**

As of 31 December 2023, it is as follows:

Non-derivative financial liabilities	Carrying amount	Contractual cash outflows	Up to 3 months	3-12 months	1-5 years
Lease liabilities	11,388,491	16,792,123	1,700,692	5,351,313	9,740,118
Trade payables	40,663,452	40,663,452	40,663,452	-	-
Payables within the scope of employee benefits	1,365,949	1,365,949	1,365,949	-	-
Other payables	45,770,270	45,770,270	45,770,270	-	-
Total	**99,188,162**	**104,591,794**	**89,500,363**	**5,351,313**	**9,740,118**

The Group has no derivative financial liabilities as of 31 December 2024 and 31 December 2023.

Market risk

Market risk is the risk that changes in market prices such as interest rates, equity prices, foreign exchange rates, and credit spreads will affect the Company's income or the value of the financial instruments it holds. The Group manages this risk by balancing its interest rate-sensitive assets and liabilities.

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NOTE 21 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign exchange risk

Foreign exchange risk arises from the effects of changes in exchange rates on foreign currency-denominated assets, liabilities, and off-balance sheet items.

The table below summarizes the foreign currency position risk by showing the carrying amounts of foreign currency assets and liabilities held by the Group as of 31 December 2024, expressed in TRY (31 December 2023: the table summarizes the foreign currency position risk by showing the carrying amounts of foreign currency assets and liabilities held by the Group expressed in TRY):

31 December 2024	USD	EUR	Total
Cash and cash equivalents	520,501,000	1,056,744,000	1,577,245,000
Trade receivables	460,313,000	1,703,339,000	2,163,652,000
Total assets	**980,814,000**	**2,760,083,000**	**3,740,897,000**
Financial Borrowings	979,839,000	2,760,977,000	3,740,816,000
Total liabilities	**979,839,000**	**2,760,977,000**	**3,740,816,000**
Net foreign currency position	**975,000**	**(894,000)**	**81,000**

31 December 2023	USD	EUR	Total
Cash and cash equivalents	500	97	597
Total assets	**500**	**97**	**597**
Total liabilities	**-**	**-**	**-**
Net foreign currency position	**500**	**97**	**597**

Foreign Exchange Rate Change	Impact on Profit/Loss	31.12.2024	31.12.2023
USD	10% increase	97.50	-
USD	10% decrease	(97.50)	-
EUR	10% increase	(89.40)	-
EUR	10% decrease	89.40	-

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NOTE 21 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk

The Group is exposed to interest rate risk due to the impact of changes in interest rates on its interest-sensitive assets and liabilities.

As of 31 December 2024 and 31 December 2023, the Group does not have any financial assets or liabilities with variable interest rates, and the financial instruments with fixed interest components are presented below:

Fixed interest rate financial assets	**31 December 2024**	**31 December 2023**
Financial assets		
Cash and cash equivalents	14,029,947,682	10,067,685,358
Financial liabilities		
Leases	192,037,337	11,388,491
Loans	4,902,623	-
Deposits	3,910,834,000	-
Total	**18,137,721,642**	**10,079,073,849**

The interest rate sensitivity of assets, liabilities, and off-balance sheet items is evaluated at weekly Asset-Liability Committee meetings, taking into account developments in the market. The tracking of the Bank's interest-sensitive assets and liabilities, as well as sensitivity analyses regarding the impact of interest rate fluctuations on the financial statements, are conducted by the Risk Management Department based on the carrying amounts of all interest-sensitive products. The Bank uses the standard method to measure its exposure to interest rate risk. Measurements under the standard method are performed monthly using a maturity ladder. During the daily sensitivity analysis calculations, the interest rate risk of the Bank's portfolio, which includes FX and TRY denominated loans, financial assets at fair value through other comprehensive income, placements, and foreign exchange trading transactions, is measured.

Disclosures on Interest Rate Risk in Banking Accounts

Current Period	**Currency**	**Applied Shock (+/- x basis points)**	**Gains / Losses**	**Gains / Equity – Losses / Equity**
1	TRY	500	(15)	0.00%
	TRY	(400)	(380)	(0.02)%
2	EUR	200	(29,908)	(1.38)%
	EUR	(200)	31,151	1.44%
3	USD	200	(6,382)	(0.29)%
	USD	(200)	6,627	0.31%
	Total (for Negative Shocks)		**37,398**	**1.73%**
	Total (for Positive Shocks)		**(36,305)**	**(1.67%)**

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NOTE 21 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk (cont'd)

Average interest rates applied to monetary financial instruments %

Assets	**EUR**	**USD**	**TRY**
Cash Assets	-	-	49.91
Banks	-	4.5	48.39
Receivables from Money Markets	-	-	49.78
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	49.07
Loans Granted	6.08	7	51.87
Financial Assets Measured at Amortized Cost	-	-	30.02
Liabilities			
Other Deposits	3.3	3.9	46.49
Funds Obtained from Other Financial Institutions	4.25	5.3	46.69

As of 31 December 2024 and 31 December 2023, the weighted average interest rates applied to financial instruments are as follows:

	31 December 2024	**31 December 2023**
Financial instruments		
Treasury deposit status	48.69%	44.05%

As of 31 December 2024 and 31 December 2023, the average interest rates applied to financial liabilities are as follows:

	31 December 2024	**31 December 2023**
Financial liabilities		
Vehicle loans	34.39%	-
Leases	47.68%	9.94%

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NOTE 21 - NATURE AND EXTENT OF EXPOSURE TO RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Fair value of financial instruments

Fair value refers to the price at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The table below presents a comparative summary of the fair values and carrying amounts of financial assets and liabilities:

	31 December 2024		31 December 2023	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets				
Cash and cash equivalents	14,029,947,682	14,029,947,682	10,067,685,358	10,067,685,358
Trade receivables	2,451,792,641	2,451,792,641	69,907	69,907
Other receivables	59,625	59,625	109,025	109,025
Financial liabilities				
Financial borrowings	4,107,976,720	4,107,976,720	11,437,677	11,437,677
Trade payables	24,642,482	24,642,482	40,663,452	40,663,452
Other payables	173,912,685	173,912,685	44,984,849	44,984,849
Payables within the scope of employee benefits	1,422,017	1,422,017	1,365,949	1,365,949

The following methods and assumptions have been used to estimate the fair value of each financial instrument where fair value determination is possible.

Due to their short-term nature, the carrying amounts of cash and cash equivalents are assumed to approximate their fair values. The carrying amounts of trade receivables, together with the related provisions, are expected to reflect their fair values.

Due to their short-term nature, the carrying amounts of trade and financial payables are assumed to approximate their fair values.

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NOTE 22 – CONTINGENT LIABILITIES AND COMMITMENTS

	1 January - 31 December 2024	**1 January - 31 December 2023**
Allocated guarantee amount (*)	22,466,340,060	31,132,744,584
Guarantees and bank sureties	6,512,416,000	-
Total	**28,978,756,060**	**31,132,744,584**

(*) The Company provides guarantees to support financing needs of export companies in line with their credit requirements and reflects the expected credit loss provision in its financial statements in accordance with TFRS 9. The expected credit loss model is applied to financial assets measured at amortized cost (deposits at banks and financial investments measured at amortized cost) and additionally to allocated equity-collateralized guarantee risks.

NOTE 23 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITORS / INDEPENDENT AUDIT FIRMS

The Group's disclosure regarding the fees for services provided by independent audit firms, prepared in accordance with the POA Board Decision published in the repeated Official Gazette on 30 March 2021, and based on the preparation principles stated in the POA letter dated 19 August 2021, is as follows:

	2024	**2023**
Independent audit fee for the reporting period	6,285,000	2,093,492
Total	**6,285,000**	**2,093,492**

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NOTE 24 – DISCLOSURES ON NET MONETARY POSITION (GAINS)/LOSSES

	31 December 2024
Financial Statement Items	**(2,879,432,717)**
Inventories	3,965
Prepaid expenses (current)	2,887,919
Property, plant and equipment	42,765,179
Intangible assets	348,201,170
Right-of-use assets	35,775,120
Deferred tax liabilities	22,952,155
Deferred income (excluding liabilities from customer contracts) (current)	(20,134,287)
Paid-up capital	(4,492,801,120)
Premiums regarding shares	(321,284,860)
Actuarial gain/(loss) fund related to employee benefits	(870,262)
Restricted reserves allocated from profit	(74,710,471)
Profits/losses from previous years	1,585,837,384
Non-controlling shares	(8,054,609)
Income Statement Items	**(601,188,035)**
Revenue	(128,421,830)
Cost of sales (-)	44,594,761
Marketing, sales and distribution expenses (-)	497,649
General administrative expenses (-)	21,881,864
Other operating income	(529,847)
Other operating expenses (-)	8,676,886
Income from investment activities	(69,334)
Financing income	(568,732,802)
Financing expenses (-)	123,808
Other (-)	20,790,810
Other Comprehensive Income Statement Items	**610,771**
Defined Benefit Plan Re-measurement Earning (Losses)	610,771
NET MONETARY POSITION PROFIT / (LOSS)	**(3,480,009,981)**

NOTE 25 - EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

None.

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