AKKÖK

HOLDİNG AŞ

2024

AKKÖK
HOLDİNG

APPROPRIATE INVESTMENTS, SUSTAINABLE PROGRESS...

We invest in the future with our services and products, raising standards in the Chemical, Advanced Materials, Energy and Real Estate Industries.

CONTENTS

ABOUT US

A beacon of established knowhow, financial strength and reliability...

Akkök Holding, the foundations of which were laid in 1952 by the late Raif Dinçkök, one of the esteemed entrepreneurs of our country, is among the most established organizations in Türkiye with more than 70 years of experience. Operating in many different sectors, especially the chemicals and advanced materials, real estate and energy sectors, the holding has 24 operational companies and 22 production facilities, 4 of which are abroad. By closely following the trends in the world's markets and in its operating industries, Akkök Holding aims to catch up with the global competition, and achieve world-class standards together with all the companies under its roof.

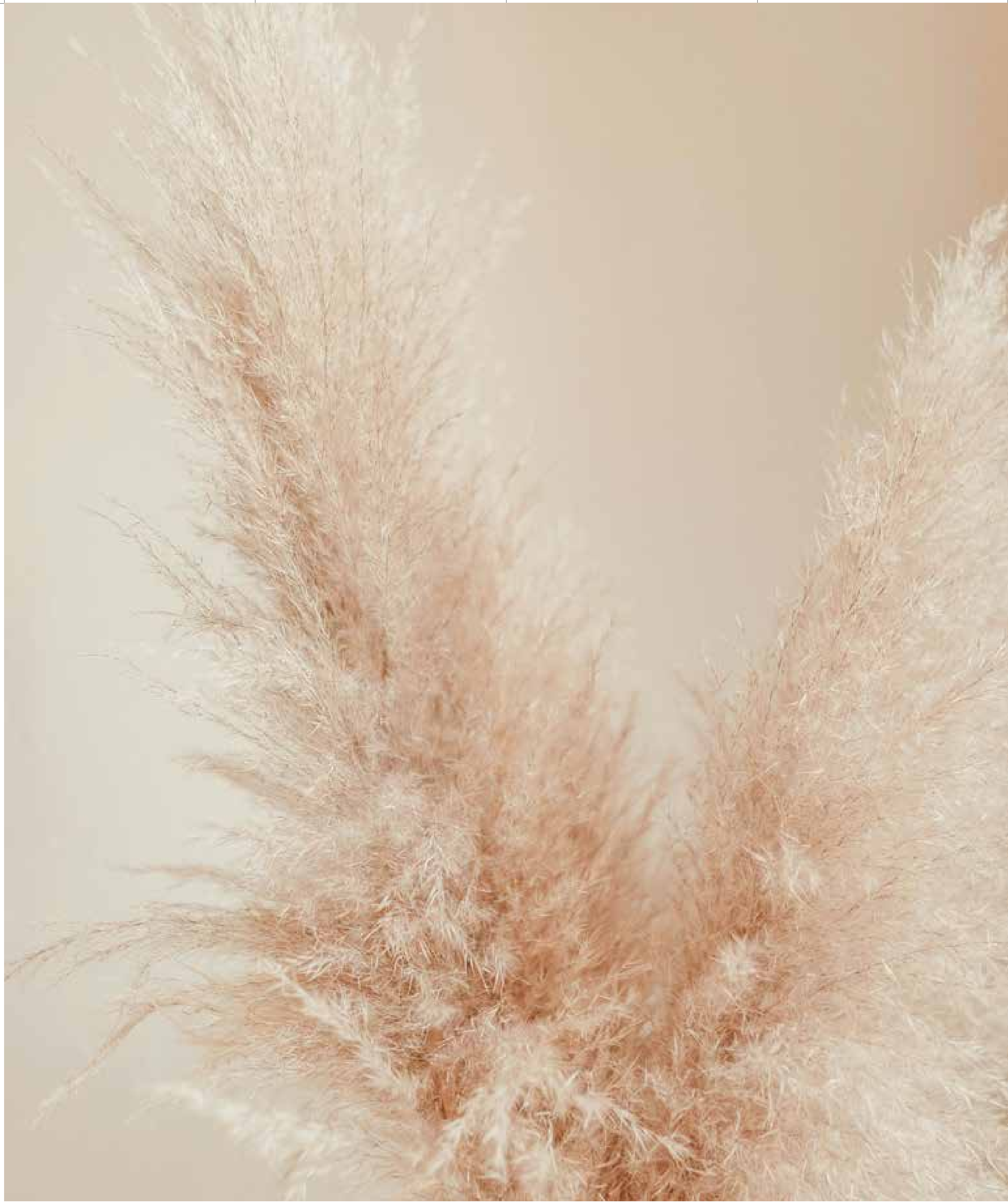
World's Giant Companies from Textile to Chemistry

Aksa Akrilik Kimya Sanayi AŞ. was founded in Yalova to meet the requirements for acrylic fiber in Türkiye in 1968, and started generation in 1971 with an annual capacity of 5,000 tonnes. Becoming the largest acrylic fiber producer in the world with its investments and innovations, Aksa is a world giant with approximately 400 customers in 50 cities on 5 continents. With more than 1,400 employees, an area of 600,000 m^2 and an annual capacity of 355,000 tonnes, Aksa is the world's largest acrylic fiber producer under one roof and the only producer of acrylic fiber in Türkiye. Thanks to its wide product range, Aksa supplies textile and technical textile raw materials to a wide range of fields, from carpet to upholstery, from sweater to socks, from yarn to hand knitting, from velvet to rugs, blankets, awnings and industrial filters. Aksa Akrilik, which has a 155 MW capacity energy production license, meets the energy needs of itself and the companies located in the organized industrial zone in Yalova. Türkiye's leading chemical manufacturer Akkim Kimya was established in Yalova in 1977. Akkim, which produces in 5 different locations with its more than a 1,400 personnel Including its subsidiaries, has a special place in the chemical industry with its product variety. Utilizing its presence and synergy in the basic chemicals such as chlorine-alkali, hydrogen peroxide, sodium percarbonate, methylamines, persulfates, sodium metabisulfite, carboxymethyl cellulose, and a wide range of performance chemicals including textiles, paper, construction, and plastic additives, the company exports to more than 70 countries across six continents. Being the market leader in many products in basic chemicals and performance chemicals, Akkim is the solution partner of the cleaning, hygiene, water treatment, textile, paper, construction, plastic, food, metal, energy, detergent, drilling, mining and chemical sectors. Akkim is our country's only manufacturer in the high-tech treatment sector with its modern factory commissioned at its facility in Yalova in 2016 and its ultrafiltration membrane module investment. To gain a presence close to its customers in the European market and expand its export activities, Akkim acquired Dinox, a chemical sales and marketing company in Germany, in 2017, with the company continuing its activities under the name of Akkim Europe as of 2024. As part of its inorganic growth strategy, Akkim acquired USK Kimya, Türkiye's largest carboxymethyl cellulose producer, in 2021, while in the last quarter of the same year, Akkim Silicon Chemicals Company was established and the production of silicone polymers, which are high-tech products, got underway at the Yalova facilities.

With the commissioning of Türkiye's first epoxy resin production facility in mid-2025, work on which is currently ongoing, the production of this strategically important product, which is currently entirely imported, will also begin. Akkim has also been selling its know-how and technologies to companies abroad since 2002 and offers a wide range of services ranging from engineering studies to turnkey contracts.

Akkim Kimya, which signed the United Nations Global Compact in 2007, pioneering the spread of universal principles on the path of sustainable development, is one of the exemplary companies in the field of sustainability in the chemical industry.

As a subsidiary of Akkim acquired in 2015, Akcoat started its activities in 1979 with the production of frit and continues to produce in 5 main groups of enamel, ceramics, non-stick and decorative coatings, pigment and glass coatings. With its product groups and "advanced chemical coating material products", it is the solution partner of global brands, each of which is a leader in its field, in various sectors such as white goods, ceramic tiles, household and kitchenware, glass industry, digital printing inks. As a preferred brand in 6 continents and more than 65 countries, it has generation facilities in Türkiye and Spain. It also operates in the USA and China with its regional offices and subsidiaries. With its regularly rising international sales and production capacity, the company has succeeded in being among the export leaders of its sector for 15 consecutive years, adding a strategic added value to the Turkish economy. Akcoat takes solid steps to strengthen its leadership by focusing on R&D, digitalization and



innovation, and realizes its new investments in this direction. It aims to achieve world leadership by doubling its exports and total turnover in 5 years.

Added Value Created by Composite

DowAksa, the first and only carbon fiber producer in Türkiye and one of the few in the world, provides carbon fiber composite solutions to industrial sectors, especially energy, defense and aviation. The company was established as a 50% equal joint venture with Dow Chemical Company and Aksa Akrilik San. AŞ. DowAksa has combined the knowledge, experience and power of Dow, a pioneer in materials science and Aksa, the world leader in acrylic fiber. The company is one of the few fully integrated solution manufacturers in the sector with its product range from precursor to carbon fiber, from carbon fiber to prepreg, engineering solutions and know-how.

Epsilon Composites, which joined Akkök Holding in 2021, manufactures and assembles high-tech composite components and parts for various sectors, especially aviation. The company, which produces products with a very high export value per kilogram, has international business partners as well as domestic defense industry organizations. Akkök Holding aims to be a leader in the international race with Epsilon Composites, which generates 40% of its total sales through exports.

Real Estate Projects That Add Value to Life

Akiş REIT, the real estate investment company operating under Akkök Holding, continues to develop projects that help improve quality of life in the regions where it operates. The company successfully carries out Akbatı and Akasya Shopping Center projects. Besides successfully managing the Akbatı and Akasya Shopping Mall projects, the company achieved a first among real estate investment partnership companies in Türkiye. It adopted an alternative approach to Shopping Mall investments by focusing on street retailing and, in 2021, opened Erenköy Apartmanı on Bağdat Avenue, leased to the Boyner brand. Akiş REIT made its first overseas investment in a housing project in England to diversify its portfolio. In addition to being a participant in the United Nations Global Compact, the world's largest corporate sustainability initiative, Akiş REIT has the highest Corporate Governance Rating among the companies listed on Borsa Istanbul in its sector. Akiş REIT has been included in the BIST Sustainability Index since January 2022, which features companies with high corporate sustainability performance. Akiş REIT also carries out cooperation and investment-oriented studies with startups in order to support innovation in retail and real estate, create synergy from the startup ecosystem and make the current business model sustainable.

Akyaşam Yönetim Hizmetleri AŞ, a subsidiary of Akiş REIT, undertakes the management of the Akbatı project opened in 2011 and the Akasya project opened in 2014.

KidZania Istanbul was established in 2014 as the 16th of the world's KidZanias. Designed to provide a learning experience while having fun for families with children, KidZania, which operates in 17 countries and 26 cities today, offers services to all children up to the age of 14 in a 10,000 square-meter area at Istanbul Akasya. It is a real city with more than 120 roles in 67 different activity areas with its bank, supermarket, fire department, hospital, earthquake simulation center, courier, stadium, streets and square. A success in social entrepreneurship, KidZania has hosted over 100 million visitors worldwide and over 2.5 million in Istanbul by the end of 2024. While children have the opportunity to gain many skills such as teamwork, taking responsibility, creative and analytical thinking, and communication at KidZania Istanbul, they experience the real-life equivalent of the academic knowledge they have learned at school. KidZania Istanbul has been carrying out the corporate social responsibility project, "I have a big heart for a better world" since 2014 when it was opened. Within the scope of the project, children with no means are hosted at KidZania through non-governmental organizations, public institutions and universities. Since its opening, KidZania has collaborated with 300 NGOs, public institutions and universities, providing over 170,000 visitors with free learning-through-fun services. Additionally, as a supporter of the Global Compact principles, children and their parents are made aware of critical areas such as the environment, social and economic issues in the fields of Earthquake Simulation Center, Electricity Center, E-Waste Recycling and Waste Separation Center, Social Volunteering and University activities at KidZania Istanbul.

Akmerkez, on the other hand, has been both the address for pleasant experiences and one of the city's favorite meeting points, with its exclusive brands, shopping, entertainment and food and beverage areas, which have been within its structure since 1993. Adding dynamism to the social life of the city, Akmerkez continues to add value to the lives of its guests with its award-winning project "Agriculture on the Terrace", which proves that a sustainable life is possible in the city, and its services such as click & collect, shopping delivery, cloakroom, cargo and trust, which it has renewed according to current needs. World award in 1996 presented by the International Council of Shopping Centers (ICSC), Akmerkez improves itself constantly with projects adding value to city life.

Innovative and Customer-Focused Contracting, Consulting Services

Akgirişim, a 100% subsidiary of Akkök Holding, has provided EPC (Engineering, Procurement, and Construction) contracting services since 2011.

With its innovative approach in the sector and a sustainable-focused vision targeting stakeholder satisfaction, Akgirişim operates in various areas such as the construction of shopping malls, residential projects, mixed-use real estate projects, turnkey process external industrial facilities, storage and production buildings, industrial/domestic wastewater treatment plants, and seawater reverse osmosis facilities, facility management and operation, business development and consulting, project management - consultancy.

With a high-quality service approach and an experienced team, Akgirişim not only offers its existing services to customers but also expands its customer portfolio with comprehensive solutions through EPC-F (Engineering, Procurement, Construction - Finance) contracting services.

Türkiye's Energy

Starting its activities as an auto-producer group in the Akkök Group of Companies in 1989, Akenerji has been operating as an independent power generation company since 2005. With the 50-50 strategic partnership of Akkök Holding and CEZ, the Company has installed power of 1,224 MW.

Authorized by EMRA, Sepaş Enerji is the official electricity supplier of Bolu, Düzce, Kocaeli and Sakarya regions. In addition to being the Supply Company in Charge, the Company provides power supply services to some 4 million people, as well as all major industrial, health care and the public sector organizations in the whole of Türkiye.

Sakarya Elektrik Dağıtım AŞ. (SEDAŞ) provides energy distribution services to more than 2 million customers in 5 different regional directorates in Sakarya, Kocaeli, Bolu, Düzce and Gebze and a total of 22 operation centers affiliated to these regional directorates. As of the end of 2024, the total amount of electricity distributed in SEDAŞ's operating region covering East Marmara stands at 11.2 billion kWh.

Always With You in Your Technology Projects

Aktek Bilişim was established in 2007 to meet the information needs of Akkök Holding. Over time, it has realized hundreds of value-added projects with all its customers in the field of technology and has achieved many successes during this time. Aktek, striving to always be with its stakeholders, business partners, and customers, offers integrated and flexible solutions and services in a structured manner through its Corporate Information Systems, Data Science and Business Intelligence, IT Infrastructure, Database Management, Cybersecurity, Software Development, and Robotic Process Automation services.

With a strong and experienced team, Aktek has provided services for 17 years to advance companies in competition and continuously maintain their satisfaction without distinguishing between sectors. In 2024, Aktek again secured its position among Türkiye's top 5 IT companies in multiple categories on the "IT 500" list, including IT Consulting and Hosting Services.

As one of Türkiye's leading technology companies in the field of Generative Artificial Intelligence, Aktek implemented the Aktek GenAI WorkBench and Agentic Architecture platform in 2024.

Privileged Insurance Service

Dinkal Insurance Agency Inc., established in 1976, is among the preferred companies in the insurance sector, successfully meeting the needs and expectations of insured individuals with its privileged service approach and strong, sustainable relationships. Providing services in all insurance branches, the company collaborates with more than 25 insurance companies in the sector, offering alternative solutions tailored to its customers' needs.

Dinkal, mainly specializing in the central business segments of the group, namely the chemical, energy, and real estate sectors, is able to create special studies on the risks, including the entire operation process from the project stage of large energy plants, with alternative proposals from both local and international sources.

Dinkal, operating under Akkök Holding, differentiates itself among Türkiye's reputable industry players by offering customer-specific services such as consulting, risk analysis and management, policy management, and claims management to both group companies and external stakeholders.

Export Leader

Ak-Pa was established in 1976 to carry out the overseas marketing and export activities of Akkök Holding companies. As one of Türkiye's strongest exporting companies, it has mediated exports of USD 10.2 billion to more than 90 countries in 6 continents since its establishment. Akkök Holding companies Aksa Akrilik, Akkim Kimya, Akcoat and DowAksa export acrylic fiber, chemical products, enamel and ceramic frit, carbon fiber products to the world's large and medium-sized industrial establishments. Ak-Pa, which has the status of a Foreign Trade Company, follows the world markets closely with the synergy it has established with its producer sister companies and creates value for its stakeholders with its sectoral experience, service quality and the power it receives from Akkök Holding.

Investing in Innovative Ventures

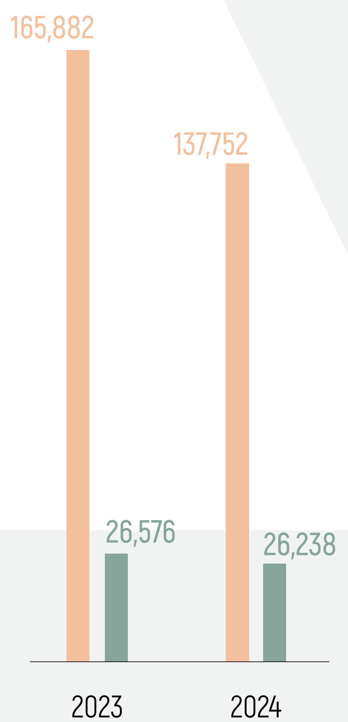
Established in 2023, Akkök Holding's venture capital company, Akkök Next, invests in innovative ventures in the deep technology market in Türkiye and worldwide. As one of the founders of 212 NexT, the first deep technology fund focused on material technologies, Akkök Next collaborates with 212 NexT to lead the transformation in global value chains, particularly in advanced materials and innovative deep technology ventures.

KEY INDICATORS

Financial Strength and Reliability...

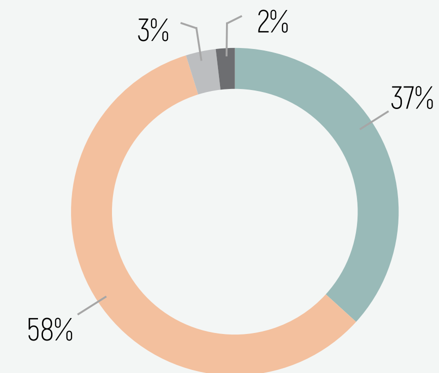
Net Sales   Foreign Sales

Combined Sales
Combined (TL Million)

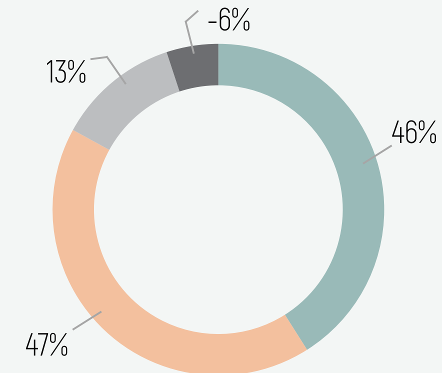


Combined EBITDA
Combined (TL Million)

Sectoral Distribution of Sales
2024 (%)

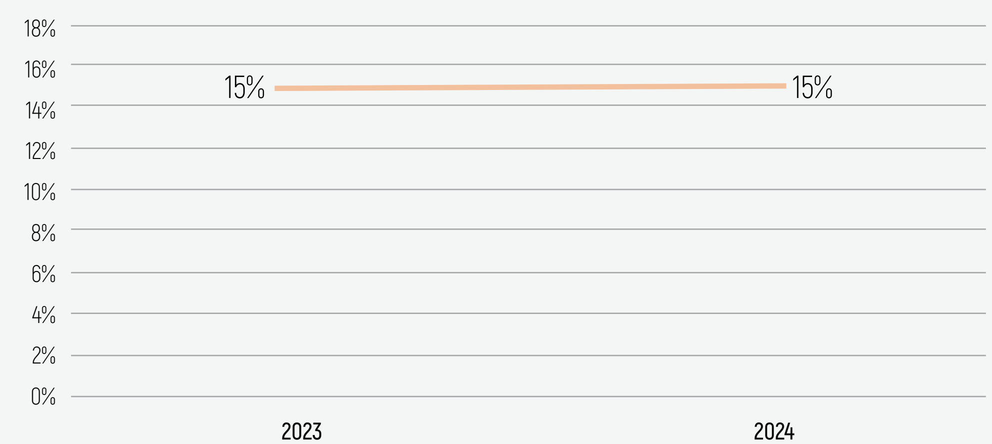


Sectoral Distribution of EBITDA
2024 (%)



Chemistry and Advanced Materials   Energy   Real Estate   Other

Combined EBITDA Margin (%)



Akkök Group achieved a combined EBITDA margin of 15% in 2024. Consolidated EBITDA margin for 2023 was 15%.

MILESTONES

Investments adding value to the Turkish economy and society from past to present...

1950s

1952

Akkök Holding was established in Bakırköy, Istanbul in 1952, as the Holding's first industrial investment.

Ariş, was established in Bakırköy, Istanbul.

1955

Dinarsu, was established in Eyüp, Istanbul.

Dinkal manufacturer and trader of yarn, was also founded.

1968

Aksa Akrilik, was established in Yalova.

1980s

1981

Akkim, started to produce persulfate.

1982

The foundations of **Ak-Al Bozüyük Factory** were laid.

1986

Ak-Tops was established.

Aksa Akrilik, shares began trading on the ISE.

Ak-Al, shares began trading on the ISE.

1988

Akkim, started the production of textile auxiliaries.

1989

Akenerji was established.

Aktem was established.

Akkim, started the production of methylamines.

1970s

1971

Aksa Akrilik, started production.

1974

Ak-Al Yalova Plant was established and started production.

1975

Dinarsu Çerkezköy Facilities were established.

1976

Akmeltem was established and started production.

Ak-Pa were established.

Dinkal Sigorta was established.

1977

Aksa Akrilik, realized its first export.

Akkim was established and started producing sulfur dioxide.

1978

Aksu İplik, opened its Çerkezköy Plant.

1979

Akkök Sanayi Yatırım ve Geliştirme Anonim Şirketi was established.

Gizemfrit, was established in Sakarya.

1990s

1990

Dinkal was restructured as Dinkal Sigorta Danışmanlık ve Acentelik AŞ

Aksu İplik was listed on the ISE.

1992

Akkim's chlor-alkali plant with a capacity of 60,000 tonnes/year went into operation.

1993

Akmerkez opened its doors to its guests.

By signing the Responsible Care Program, **Akkim** was among the first companies to implement the program in Türkiye.

1996

Paper Moon Akmerkez opened its doors to its guests.

Akmerkez received the "World's Best Shopping Center" award in Las Vegas.

1998

Akport, opened Tekirdağ-Trieste Ro-Ro line.

Akkim opened Türkiye's first hydrogen peroxide facility for production.

1999

Akrom Akal Textile Romania SRL was established.

2000s

2000

Akrom Romanya Factory started production.

Akenerji shares were listed on the ISE.

Aksa Akrilik wastewater treatment system broke new ground in Türkiye by switching to biological treatment with the Deep Tank system.

2002

Akkim, began to export the know-how it has reached as a result of the engineering studies carried out within its own body.

2003

"Aksa Akrilik Egypt" was established in Alexandria.

Aksa Akrilik established FITCO B.V. for the new investments it plans to make.

Aksu became the first Turkish company to attend the Premiere Vision Fair.

2004

Akenerji Elektrik Enerjisi İthalat İhracat Toptan Ticaret AŞ began its activities.

2005

Akkök Holding was established to develop and manage Akkök Holding's real estate investments.

Mr. Mehmet Ali Berkman became the Chairman of the Executive Board of Akkök Holding.

Dinarsu was sold to Merinos Carpet Industry Group.

Akmerkez was listed on the ISE.

Akkim began the production of paper chemicals.

2006

Akkim, commissioned Türkiye's first sodium percarbonate plant.

Akenerji incorporated Akkur Enerji.

Paper Moon Ankara Ankara opened.

2007

Akkök Holding ve Akkim, signed the United Nations Global Compact.

Aktek Bilgi İletişim Hizmetleri Sanayi ve Ticaret AŞ was established.

Akiş Gayrimenkul Yatırımı AŞ, started Akkoza construction with the partnership of Garanti Koza and Corio.

The Yadigâr-ı Istanbul book, created from **Yıldız Palace** photo albums, was published with the contributions of Akkök Holding.

SAF REIT one of the subsidiaries of **Akkök Holding**, started to be traded on the ISE as of 2007.

Akkim started the production of concrete chemicals.

2000s

2008

Akenerji, signed a strategic partnership agreement based on equal partnership with the Czech energy company CEZ.

AKCEZ consortium won the Sakarya Elektrik Dağıtım AŞ (SEDAŞ) tender during the electricity distribution privatization process.

Aksa Akrilik received the National Quality Grand Award of KalDer.

2009

Akiş Gayrimenkul Yatırımı AŞ, became 100% owner of Akbatı Shopping Center and Akbatı Residences by acquiring the partnership shares of Garanti Koza and Corio in the Akkoza Project.

Aksu ve Ak-Al merged under the umbrella of Ak-Al.

Akenerji commissioned the Ayyıldız Wind Power Plant with an installed capacity of 15 MW in Bandırma, Balıkesir.

Aksa Akrilik launched its carbon fiber production facility with a capacity of 1,500 tonnes/year.

2010s

2010

Akenerji; Akocak, Bulam, Burç, Uluabat and Feke II Hydroelectric Power Plants. In addition, it purchased the entire generation capacity of the 100 MW wind power plants owned by Polat Enerji.

The railway line between Tekirdağ-Muratlı of **Akport Tekirdağ Port** was put into operation.

2011

Raif Dinçkök Cultural Center opened to the service of the people of Yalova.

Aksa Akrilik signed a partnership agreement with Dow Chemicals for strategic cooperation in the field of carbon fiber.

Akbatı Shopping Mall was put into service.

Akenerji became the first energy company in Türkiye to receive the IIP (Investors in People) Certificate of Commitment and one of the two energy companies reporting by participating in the CDP Türkiye reporting.

2012

DowAksa was established.

The Akbatı Residences Project, built by **Akiş REIT** in Esenyurt, Istanbul, was delivered.

Akiş took the title of Real Estate Investment Trust.

2013

Mr. Ahmet Cemal Dördüncü, assumed the position of the Chairman of the Executive Board of Akkök Holding.

Akkim established Akferal company by signing an equal share partnership with Feralco, Europe's 2nd largest water chemicals and coagulant producer.

Akkim received the R&D Center registration from the Ministry of Science, Industry and Technology.

Aksa Akrilik was included in the Turquality Project.

DowAksa acquired the **CarbonWrap** business unit, which offers carbon fiber composite solutions in the field of infrastructure and building reinforcement.

With the establishment of **Sepaş Enerji**, the separation project between SEDAŞ and Sepaş Enerji began.

Akiş REIT began trading on the Borsa Istanbul Corporate Products Market.

Akasya and Akasya Housing Project was the first project to win the BREEAM certificate in Türkiye.

2014

Akkök Holding first GRI-approved sustainability report was published.

Akasya Shopping Center opened its doors to its guests.

Aksa Akrilik became the second company in Türkiye and the first in its sector to hold the Risk Management System Verification Certificate.

Akkim bought the water treatment chemicals division of Dostel Group.

2010s

2014

DowAksa Advanced Composites Holdings B.V., signed a triple joint investment decision with Rusnano and Kompozit Holding (HCC) for the Composite Nanotechnology Center (NCC).

DowAksa USA was established. 50% of German prepreg manufacturer c-m-p was purchased.

Erzin Natural Gas Cycle Power Plant project was completed and commissioned by Akenerji.

SEDAŞ commissioned the SCADA Project in Kocaeli, Gebze and Sakarya, which will enable remote monitoring of electrical energy and respond to faults in a shorter time.

KidZania Istanbul (Akasya Çocuk Dünyası AŞ) started its activities.

2015

For the first time, **Akkök Holding** undertook the main sponsorship of the Mamut Art Project, which it will support for five years, within the framework of its "Investing in the Future" strategy.

YALKİM OIZ whose founding partners are Acrylic-Based Composite, of which **Aksa Akrilik** is a member, Advanced Materials and Technology Manufacturers Association, Yalova Special Provincial Administration, Taşköprü Municipality and the Yalova Chamber of Commerce and Industry, was established with the approval of the Ministry of Science, Industry and Technology.

A Joint Development Agreement was signed between DowAksa and Ford.

Akkim bought 100% shares of **Gizemfrit**.

Akenerji became the first and only energy company to report to the CDP (Carbon Disclosure Project) Türkiye Water Program.

Sepaş Enerji broke new ground in the sector and started selling electricity online through its website.

Life Academy was implemented by **Akiş REIT**.

Aktek created an organization called Aktek Garage, which structurally describes its internal and external innovation philosophy.

2016

At the traditional Corporate Governance Awards ceremony of the **Corporate Governance Association of Türkiye (TKYD)**, Aksa Akrilik received the grand prize as the Company with the Highest Corporate Governance Rating.

Aksa Akrilik aimed to add a new vision to acrylic fiber with its new brands Acryluna, Acrysole, Acryterna and Acrylusion.

The Global Composite Center supported by SSM and financed within the scope of the IPEK Project carried out jointly by TAI and DowAksa, was put into service.

Akkim entered the high-tech water treatment sector with its Ultrafiltration Membrane Module investment.

Akenerji became the first company to implement the virtual power plant tender in Türkiye.

Akenerji became the only electricity generation company to participate in the CDP Türkiye 2016 Water Program.

Sepaş Enerji started the SAP IS-U-CRM project, which will restructure all its systems to provide the best experience to its customers.

Akiş REIT started the sales of its new brand Akapartman Suadiye.

Akasya Culture and Art (AKS) opened its doors.

2017

Aksa Akrilik's Corporate Rating was updated as 9.63 and received the grand prize as the Company with the Highest Corporate Governance Rating in the BIST Corporate Governance Index for two consecutive years.

DowAksa signed a long-term supply agreement with Vestas Wind Systems AS, one of the world's largest wind turbine manufacturers.

The 13.2 MW additional capacity of **Akenerji's** Ayyıldız Power Plant was commissioned, bringing the total installed capacity of the plant to 28.2 MW.

SEDAŞ came first in the 3rd Energy R&D Workshop with its EMRA-approved Remote Reading of Electronic Meters Project and received the R&D success award.

SEDAŞ became a "Corporate Tax Record Holder" in Sakarya.

Akiş REIT became one of the most prominent players in the sector by merging with SAF REIT.

Akkim put into production a new persulfates facility with a capacity of 10,000 tonnes/year in Yalova.

Akkim put its new hydrochloric acid plant into operation with a capacity of 40,000 tonnes/year.

2010s

2017

Akkim, acquired the chemical sales and marketing company Dinox to be close to customers in the European market and to expand its export activities.

Akkim bought Feralco shares in Akferal and Feralco became a 100% Akkim subsidiary. Dilovası and Osmaniye facilities began to operate on behalf of Akkim.

Gizemfrit bought Megacolor, one of the most important players in the ceramic industry in Spain.

Gizemfrit received the R&D Center registration from the Ministry of Science, Industry and Technology.

Gizemfrit was accepted into Turquality Brand Support, Türkiye's most prestigious and comprehensive incentive program.

2018

Aksa Akrilik, raised its Corporate Governance Rating from 9.63 to 9.70 and this year, it won the grand prize three years in a row by being the first.

Akiş REIT acquired a very valuable international stakeholder by selling 7.36% shares to the European Bank for Reconstruction and Development (EBRD) in 2018 and became a partner in a housing project developed in London by making a foreign investment for the first time.

Gizemfrit received an R&D center certificate.

Akkim put into production its new performance chemicals facility with a capacity of 150,000 tonnes/year.

Akkim's 2018-2019 Sustainability Report was deemed worthy of the Platinum Award by LACP (League of American Communications Professionals LLC).

Gizemfrit received the Authorized Economic Operator Certificate from the Ministry of Customs and Trade, which provides convenience and privileges to reliable companies in customs procedures.

Gizemfrit received ISO 14001: 2015 Environmental Management System and ISO 9001: 2015 Quality Management System Certificates.

Gizemfrit received the first Occupational Health and Safety Management System Certificate OHSAS 18001.

2019

Aksa Akrilik, was honored by the Turkish Chemical Manufacturers Association (TKSD) with the "50th Year" plaque.

Aksa Akrilik ranked 41st in the ISO 500 list. It also got the 2nd prize by raising its Corporate Governance Rating from 9.70 to 9.72.

The production capacity of **Aksa Akrilik** was determined as 330,000 tonnes/year as a result of the efforts to create the optimum production track.

Akkim was promoted to Silver Recognition in the sustainability assessment of the Global Supply Chain by EcoVadis.

Akkim was selected as the National Champion in the innovation category at the European Business Awards.

Akkim completed the TFS (Together for Sustainability) Sustainable Supplier audit with a high score.

Akkim R&D Center received the 2nd prize in the evaluation of the Ministry of Industry and Technology.

Akkim became the 21st company that carried out the most projects and the 50th company that received the most patents in the Turkishtime R&D 250 Research.

Akiş REIT's Corporate Governance Rating was determined as 9.62.

Akiş REIT was accredited by TÜV Thüringen e.V. (German Accreditation Agency-DAkkS) and received the ISO 27001:2013 Information Security Management System Certificate.

At The One Awards, which are given to the companies that raise their reputation the most every year, **Akenerji** was awarded 1st place for 2 consecutive years, adding 1 star to its award.

Gizemfrit once again ranked first in the "Paint, Varnish and Inks" category with its export figures in the "Star of Export" awards organized by the Istanbul Chemicals and Chemical Products Exporters' Association, with its exports this year, as it has been for the last 11 years.

Akenerji became one of the first companies to implement the ISO 45001:2018 standard. The continuity of ISO 27001:2013 Information Security Management Systems documents was ensured.

SEDAŞ signed the United Nations Women's Empowerment Principles (WEPs) within the scope of the "Forget the Gender" Project.

Paper Moon Istanbul Istanbul was deemed worthy of the "Diploma of Good Cuisine" award given by the "Accademia Italiana Della Cucina", which was established in September 2019 to develop cultural and commercial relations between Italy and Türkiye in the field of gastro-economics and gastrotourism.

KidZania Istanbul, becomes a supporter of the United Nations Global Compact (UNGC).

2020s

2020

Akkim, raised its Silver Recognition level to the Gold Recognition level in the Global Supply Chain Sustainability Assessment conducted by EcoVadis.

Ranking 252nd in the ISO 500 ranking, **Akkim** has risen 100 notches in the last five years.

Akiş REIT became a signatory to the United Nations Global Compact.

Akiş REIT had the highest Corporate Governance Rating in its sector with a score of 9.63 among the companies listed on Borsa Istanbul.

Akiş REIT became one of the supporters of the "Innovate21st" Investment and Acceleration Program for startups that offer digital solutions in the retail field.

Akenerji was included in the Fortune 500, ISO 500 and Capital 500 lists. It ranked 1st in the "Those Increasing Profit Before Interest and Taxes" list, which ranks the fastest growing companies in the Fortune 500.

As of the end of 2020, all **Akenerji** power plants were entitled to receive the Basic Level Zero Waste Certificate.

Paper Moon Istanbul took its place as 4 pearls in the 2020 Gastronomy Guide with Pearls prepared with Türkiye's first and unique gastronomy rating system.

Akkim became a Bluesign System Partner.

Akkim sold its Dilovası and Osmaniye facilities.

Gizemfrit decided to carry out all its activities under the name Akcoat.

Akcoat was the 6th best R&D center in Türkiye and among the top 3 R&D centers in the chemical materials sector, according to the R&D centers 2020 performance index report of the Ministry of Industry and Trade.

Akcoat received the ISO 50001:2018 Energy Management System Certificate.

KidZania Istanbul, awarded the Tripadvisor Traveller's Choice Award

2021

Akkök Holding and its group companies ARD Holding AŞ and NDC Holding AŞ acquired 51% of **Epsilon Kompozit Teknoloji ve Savunma Sanayi AŞ**, which manufactures, assembles, sells and exports high-tech composite components and parts.

Akkök Holding became a signatory to the Business World Plastics Initiative (IPG).

Aksa Akrilik commissioned a new facility of 20,000 square meters for Aksafil, which will produce for sectors such as knitwear, active wear, technical textiles and hand knitting.

Aksa Akrilik, announced three more high-tech brands to the world.

Aksa Akrilik won the award for the 6th time as the owner of the "2nd Company with the Highest Corporate Governance Rating" at the 11th Corporate Governance Awards organized by the Corporate Governance Association of Türkiye.

After the evaluation made by JCR Eurasia, **Aksa Akrilik's** credit rating was announced as "AA Stable".

Akenerji became the first Turkish company to register on the European Energy Exchange, Europe's largest energy exchange.

Paper Moon opened its doors for those who wanted to have a special dining experience at Akfen Bodrum Loft in Göltürkbükü during the summer season.

Akiş REIT was entitled to be the only Real Estate Investment Trust to be included in the Borsa Istanbul Sustainability Index.

Akiş REIT's Corporate Governance Rating rose to 96.33 in 2021. It has the highest Corporate Governance Rating among companies operating in the real estate sector in Türkiye.

Akasya ve Akbatı shopping malls received the I-REC International Renewable Energy Certificate issued by IRECS International to promote renewable energy investment and use.

Ak-Pa realized the record export of its history with group exports of USD 452 million.

Akenerji SEDAŞ and Sepaş Enerji implemented the "Women's Energy" project to raise female employment and support women in their career journeys.

SEDAŞ received the "Low Carbon Hero" award at the 7th Istanbul Carbon E-Summit, which was held with the main support of the Ministry of Environment and Urbanization, Istanbul Technical University and the Sustainable Production and Consumption Association.

In line with the importance it attached to inorganic growth opportunities, **Akkim** acquired 100% of Türkiye's largest carboxymethyl cellulose producer, USK Kimya.

Akkim Silikon Kimya was established and started the production of high-tech silicone polymers.

Sepaş Smart Solutions was established to provide "energy solutions and consultancy" services to companies from various sectors and home users, especially industrial facilities and commercial enterprises.

Akcoat became a participant in the UN Global Compact, the world's largest corporate sustainability initiative.

2020s

2022

Akkök Holding, in cooperation with Beşiktaş Municipality, implemented the public space transformation project on the German Creek walking track.

Dinkal Sigorta Acenteliği AŞ was deemed worthy of the "Most Insurtech Agency" award as a result of the evaluations of the jury consisting of influential and distinguished names of the sector within the scope of "Türkiye Insurtech Awards 2022".

With its customer experience management project "İKİGAİ", **SEDAŞ** received the "Most Commendable" Award in the "Best Customer Experience" category at the "Türkiye Communication Center Awards 2022" organized by IMI Conferences.

Akkim laid the foundation of Türkiye's first Epoxy Resin Production Facility with an investment budget of USD 100 million.

Akkim received the A-Excellent Level Sustainability certificate in its ESG (Environmental, Social, Corporate Governance) performance in the Fortune Türkiye-CRIF Synergy sustainability research.

The foundation of the new integrated production facility to be established by **DowAksa** in Yalova was laid.

DowAksa was deemed worthy of an award in the "Investment" category at the "IAmChamPion Awards" organized by the American Companies Association (AmCham Türkiye).

Aksa Akrilik started the investment process to expand production to 355,000 tonnes/year by adding 2 production lines to its 330,000 tonnes/year production capacity.

Akiş REIT received the ISO9001 Quality Management System certificate.

Akiş REIT received a Management Level B rating from the Carbon Disclosure Project (CDP), which it reported for the first time.

Akiş REIT became the only REIT listed on the Borsa Istanbul Sustainability Index in 2022.

Akcoat implemented the Wildlife Rescue project for the conservation and scientific development of wildlife.

Akcoat was entitled to receive the Basic Level Zero Waste Certificate from the Ministry of Environment, Urbanization and Climate Change.

Akcoat completed its carbon and water footprint measurements and published its first sustainability report.

Akkök R&D Summit was hosted by Akcoat R&D center for the first time in a 2-day event where the R&D teams of Akcoat, Aksa Akrilik, Akkim, Dowaksa and Epsilon Kompozit and Akkök Holding senior management came together.

Akcoat received 2 awards in the Alfe De Oro "innovation" category and Liderpack in the "best logistics and distribution packaging" category for its innovative and sustainable packaging system for Lessbox inkjet ceramic printing inks.

In 2022, **Ak-Pa** realized the record export of its history with USD 629 million group exports, thanks to the changing world conditions after the pandemic and the advantage of Türkiye's geographical-logistics location.

2023

İhsan Gökşin Durusoy, assumed the role of CEO at Akkök Holding.

In collaboration with the Community Volunteers Foundation (TOG), **Akkök Holding** established a Support Center in İskenderun for those affected by the earthquake.

Akkök Holding venture capital company, **Akkök Next**, is founded.

Torunlar Enerji Sanayi ve Ticaret AŞ and Başkent Doğalgaz Dağıtım Gayrimenkul Yatırım Ortaklığı AŞ acquired the 50% stake in AKCEZ Enerji Yatırımları Sanayi ve Ticaret AŞ from the Czech energy company ČEZ Group (CEZ). Thus, Akkök Holding became an equal partner in AKCEZ, which includes **SEDAŞ, Sepaş Enerji** and S**epaş Akıllı Çözümler AŞ.**

Aksa Akrilik, completed the second phase of the investment works for the air jet spinning technology plant (Aksafil), which produces yarn from short fibers, with the first phase commissioned at the end of 2021.

According to the planned product range and new capacity reports, **Aksa Akrilik** set the company's current installed capacity at 355,000 tonnes/year for acrylic fiber and 6,600 tonnes/year for the Aksafil plant.

Under its new product development strategy in technical fibers, **Aksa Akrilik** decided to invest in producing Mithra, an "ultra-high molecular weight polyethylene" product developed through R&D efforts, starting with a capacity of 350 tonnes/year and gradually increasing to 500 tonnes/year under the Mithra brand.

Aksa Akrilik, in accordance with sustainability principles, introduced its visitors to the transformation journey of acrylic fiber production processes with the Aksa Experience Area (ADA) project.

Akkim Kimya launched its Akkim Silikon Kimya investment in May, producing high-tech silicone polymers.

Akkim Kimya decided to invest over USD 10 million in its facility in Nazilli, the largest CMC (Carboxymethylcellulose) producer in Türkiye. This investment improved production lines and established a new facility with an annual capacity of 7,500 tonnes, bringing the total capacity increase to USD 20 million.

2020s

2023

DowAksa completed the work to increase its existing capacity from 6,000 tonnes/year to 9,000 tonnes/year and put the new line into operation.

Akiş REIT entered among the first group of companies on Borsa Istanbul.

Akiş REIT, not only became the first company outside the financial sector to receive an ESG rating from Sustainable Fitch but also carried out its first sustainability-linked transaction with a foreign bank.

According to the results of the 2023 CDP Climate Change Reporting, Akiş REIT raised its "B Management Level" score from 2022 to "A- Leadership Level" in 2023. Additionally, on the Refinitiv platform, where it also reports, **Akiş REIT** succeeded in ranking among the top 10 out of 472 companies worldwide in its sector.

Akiş REIT established the Retail Innovation Center to bring together investors and entrepreneurs in the retail sector.

Akcoat was accepted into the Turquality Brand Support, Türkiye's most prestigious and comprehensive incentive program.

Akcoat established a sustainability committee and began work on social, environmental and economic topics.

Akcoat initiated its Ecovadis self-assessment studies.

Akgirişim which started its activities in 2011, became a 100% subsidiary of Akkök Holding.

KidZania Istanbul, Istanbul one of the winners of the "Best Team to Join" poll, organized by Sales Network which polls the best companies to work for.

In collaboration with its partner, "Akademi Çevre", **KidZania Istanbul** won first place in the "Social Impact - Environmentally Focused SME" category at the 10thSustainable Business Awards with its "Akademi Çevre KidZania Recycling Center Activity," where visitors took on the role of waste management experts.

2024

Akkök Holding Sailing Team established.

The Dinox company in Germany, acquired by Akkim in 2017, is registered under the name of **Akkim** Europe and starts operations under this name.

Akkim is placed in the Gold Awareness level by reaching the top 2% in Ecovadis with its Sustainability Report.

Akkim is ranked 48th in the "S500 - Green Traceability" study and achieves significant success with its inclusion in the "100 Leading Companies in Sustainability" list.

Akcoat is awarded the I-REC (International Renewable Energy) certificate, which certifies the use of renewable energy.

By completing the "Goal Gender Equality" program, **Akcoat** formalizes its commitment to women's rights by signing up to the United Nations Women's Empowerment Principles (WEPs).

Akcoat successfully completes the Climate Target Acceleration Program carried out within the scope of the UN Global Compact.

Akcoat is awarded in the value-adding business partner category of Şişecam among 13,000 suppliers in 61 countries.

Akcoat is selected as one of Arçelik's top 5 sustainable suppliers.

Akcoat is awarded REACH certificates in the Glass and Non-Stick & Decorative Coatings product groups.

Akcoat successfully undergoes ISO 9001, ISO 14001, ISO 45001 Certificate renewal audits.

Akcoat successfully completes the audit for the transition to the new version of the Information Security Management System (ISO 27001:2022).

DowAksa becomes a member of the Luxembourg Institute of Science and Technology's (LIST) Sustainable Composite Materials and Manufacturing Innovation Center (SCMM), an initiative that aims to translate material innovations into practice and develop zero-emission mobility solutions.

Akiş REIT wins the REIT Award with the Highest Corporate Governance Rating at the 19th GYODER REIT Award Ceremony held by the Real Estate Investors Association at the scope of the Real Estate Summit.

Akiş REIT becomes one of the 38 companies to be included in the Great Place To Work's 2024 Social Responsibility and Volunteering List, in recognition of its work in the fields of social responsibility and volunteering.

Akiş REIT is included in the "World's Best Companies in Sustainable Growth 2025" list published by TIME magazine, one of the world's most established publications, in cooperation with Statista, the leading statistical organization.

Akiş REIT becomes the leading REIT in its sector on the Refinitiv (LSEG) platform.

Aktek GenAI WorkBench and Agentic Architecture implement a generative AI platform.

KidZania Istanbul is included in the book, "Essentials of Modern Marketing Türkiye Edition", written by the marketing guru, Philip Kotler, in recognition of its impact.

MESSAGE FROM THE CHAIRMAN

The year 2024 was marked by strengthened economic stability and a continuation of the financial rebalancing process in Türkiye. Akkök Holding recorded turnover of USD 4.2 billion and exports of USD 802 million.

Raif Ali Dinçkök
Chairman of the Board of Directors

Dear Stakeholders,

2024 was a year marked by elections which had far-reaching impacts on the political and economic dynamics around the world, a reshaping of global economic balances and continuing wars. Global economic growth, while demonstrating signs of recovery, remained below its 20-year average, with growth expected to continue around the 2024 levels in 2025 and 2026. According to the IMF, the world economy maintained a 3.3% rate of GDP growth with regional differences becoming more pronounced. The U.S. economy grew by 2.8%, outperforming expectations. In the Eurozone, on the other hand, growth was subdued at 0.9% with fears of a recession becoming especially pronounced in economies such as Germany and France. During this period, as countries focused on their internal dynamics and attempted to adapt to challenging conditions, financial markets and the real sector renewed their strategies to counter macroeconomic fluctuations. High energy costs, particularly in Europe, hampered production and limited competitiveness.

Global trade volume, having grown by 2.6% in 2023, recorded a slightly more vigorous rate of growth of 2.7% in 2024. A combination of trade wars and protectionist policies, geopolitical developments in the Middle East and attacks by the Houthi rebels in Yemen on merchant shipping in the Red Sea continued to disrupt global trade and supply chains and started to shake the economic confidence environment. New increases in tariffs and duties on electric vehicles and batteries, solar panel cells, steel and aluminium products, as well as certain critical minerals imported from China, especially to the USA, ushered in a new chapter in global trade and drastically changed the dynamics. The Trump administration, which took office at the end of 2024, is currently working on the imposition of similar duties on countries besides China. While these policies are aimed at encouraging domestic production in the U.S., they increase export costs for developing countries, resulting in an inevitable decrease in sales to the U.S. market.

The Trump administration has also moved to withdraw from the Paris Climate Agreement while taking steps to increase fossil fuel production. This policy inevitably complicates the investment climate for renewable energy projects.

Central banks around the world have begun to shift from the tight monetary policies implemented after the pandemic in an attempt to control inflation to interest rate cuts. For example, the Bank of Canada moved to cut interest rates in the second half of the year due to the emergence of the US tariff threat. The FED, on the other hand, kept interest rates on hold in a range of 5.25-5.50% in the first 9 months of 2024 and maintained its tight monetary policy. The FED, which cut interest rates in September 2024 for the first time in 4 years, pulled the range to 4.75-5.00%. Due to the lagged effects of monetary policy, interest rate cuts by central banks are expected to be reflected to economic growth starting from the second half of 2025 and throughout 2026. It is hoped the rate cuts will have a positive effect on large-scale consumer spending and corporate investments.

Despite this economic outlook, the rise of the digital transformation and Artificial Intelligence in 2024 has left its mark on many areas. While companies are turning to digital solutions to increase efficiency, especially in production and logistics processes, AI applications have started to transform the dynamics of the workforce. According to the "2024 Work Reimagined" study carried out by the international consulting and auditing company, EY, the rate of generative AI usage increased from 22% in 2023 to 75% in 2024, with the rate reaching 90% in the technology sector. While Environmental, Social and Governance topics remained on company agendas in 2024, some slowdown was observed in global investment trends in this area with USD 24 billion in net outflows from global climate funds in the first nine months of 2024 according to Morningstar, suggesting that ESG investing has been more cautious than in previous years. Still, as part of their long-term compliance strategy, companies have turned to restructuring their supply chains with localized models with a lower carbon footprint. While these developments point to a structural transformation in the global order shaped under a shadow of economic and geopolitical uncertainty, they further highlight the necessity of countries and companies to develop strategies focused on flexibility, resource diversity, digital competence and sustainability.

Under this global backdrop, the Turkish economy recorded 3.2% GDP growth in 2024 with exports growing by 2.4% compared to the previous year to reach USD 262 billion with imports declining by 4.9% to USD 344 billion, with these results contributing to a narrowing of the foreign trade deficit. In addition, the slowdown and low demand, especially in Europe, negatively affected our exports. Markets in different regions, such as China, the United Arab Emirates and the United Kingdom, demonstrated a more positive performance.

With the monetary policy implemented as part of the efforts to tackle inflation, the CBRT raised the policy rate to 50% in 2024 and maintained its tight stance. The monetary policy, which proceeded with high interest rates throughout 2024, stimulated interest in TL assets and squeezed domestic demand. The CBRT's first interest rate cut was implemented in the last quarter of the year. With this tight monetary policy being accompanied by weakening domestic and external demand, high financing costs and a strong Lira, manufacturing industry remained under pressure throughout the year. However, in the last quarter of the year, signs of recovery began to emerge in industrial activity with the ICI Türkiye Manufacturing PMI reaching an 8-month high of 49.1 in December, indicating that the contraction had eased.

While global interest rate cuts are expected to create a significant opportunity for developing countries to attract investment, Türkiye's removal from the grey list and the renewed confidence provided by the implementation of disciplined economic policies have led to an increase in foreign portfolio investments. By the end of 2024, portfolio investments had increased by 3% to USD 130 billion. The rating agency, Moody's, upgraded Türkiye's credit rating from B3 to B1 for the first time in 11 years, leading to a rise in investor interest in short-term instruments and more liquid instruments, while the country risk premium (CDS) fell to 276 basis points, its lowest since February 2020, accelerating inflows into bond markets.

While investments in short-term financial instruments gained momentum, the increase in long-term production and employment-oriented foreign direct investments remained limited. Direct investment, having decreased from USD 13.7 billion in 2022 to USD 10.7 billion in 2023, could only edge up to USD 11.3 billion in 2024, underlining the importance of providing structural transformation elements in order to increase permanent investments, rather than hot money.

According to the OECD and IMF's 2025 projections, global growth rates are expected to remain stable, while Türkiye's GDP growth is projected to slow to 2.7% in 2025. In the coming period, geopolitical risks, uncertainty in global trade and weakening domestic and foreign demand will continue to be the most important factors shaping the economic outlook. In addition, interest rate cuts by the FED and the ECB will play a decisive role in the direction and cost of capital flows to developing countries such as Türkiye.

As Akkök Holding, we have resolutely focused on our investments and growth targets in order to strengthen our leading position in the chemicals and advanced materials sectors. The projects we have carried out throughout 2024 have led to important steps being taken towards sustainable growth and increasing our competitiveness in global markets. The investment decision taken by Aksa Akrilik to manufacture ultra-high molecular weight polyethylene (UHMWPE) fibre Mithra, which is 15 times stronger than steel of the same weight and 40% stronger than the para aramid of the same weight with the highest impact resistance,

Epsilon Composite becoming a 100% Akkök Holding owned company, and the completion of the construction and development work at Akkim's first epoxy resin production facility in Türkiye are examples of these steps forward. On the other hand, we are carefully exploring both organic and inorganic growth opportunities in order to further enhance DowAksa's position in the global market.

Last year, we became the anchor investor of the 212 NexT fund in line with our goal of investing in advanced materials and deep tech startups. Two investments were completed within the scope of the fund in 2024. For 2025, we plan to continue investments in synergistic technology collaborations in foreign markets, while pursuing sustainable investment opportunities, and to invest in the innovative start-up ecosystem.

We continued to move forward in line with our long-term growth strategy in the energy and real estate sectors. While expanding its energy trading activities by licensing in the European Union and neighboring countries, Akenerji continued to meticulously evaluate local and international investment opportunities in the real estate sector. Restructured with the partnership of Torunlar Group, Akcez transitioned to a new investment period in 2024. Sahrayıcedit, our new project in Istanbul, stands out as a sustainable and innovative investment with its modern urbanism approach. Developed with the revenue sharing model, the project marks an important step in line with our long-term value creation goals given its scale and the advantage of its location.

The year 2024 was marked by strengthened economic stability and a continuation of the financial rebalancing process in Türkiye. Akkök Holding recorded turnover of USD 4.2 billion and exports of USD 802 million. In the coming period, we aim to increase our clout in the international market with 4% growth in exports to USD 832 million and a 6% increase in employment. When evaluating new investment opportunities, we always consider their contribution to exports and sustainability as a primary criterion.

In line with our long-term strategies, we continue to create sustainable value in the sectors we are operating in. With the contributions and support of our stakeholders, we continue to grow in parallel with our comprehensive investment strategy and innovative perspective, and are taking firm steps towards our goal of reaching a more commanding position in the competitive environment.

I would like to thank all of our business partners and employees for their support and determination during this difficult period globally.

Respectfully,

Raif Ali Dinçkök
Chairman of the Board of Directors

MESSAGE FROM THE CEO

We recorded USD 4.2 billion in total turnover in 2024 with EBITDA of USD 645 million and exports of USD 802 million.

İhsan Gökşin Durusoy
CEO and Member of the Board of Directors

Dear Stakeholders,

Despite the volatilities in the global economy, 2024 was a year in which we at Akkök Holding resolutely pressed ahead in our growth journey. In this period of increased competition and continued volatility in the markets, we maintained our stability thanks to our strong financial structure and effective management strategies. With our 24 operational companies, 22 production facilities and 6,400 employees, we have strengthened our contribution to the Turkish economy and our stakeholders. With our investments in new technologies and different verticals, we continued our growth in the chemical and advanced materials, energy and real estate sectors.

Growth expectations in the international arena remained subdued due to macroeconomic developments, with global economic growth edging back from 3.5% in 2023 to 3.3% in 2024 - below the pre-pandemic average of 3.7% (2000–2019). On the other hand, the resilience of the U.S. market contributed to an increase in our exports to the U.S. High energy costs in Europe and competition from China have forced us to raise the efficiency of our production and supply chains. In this vein, we placed priority on cost optimization, accelerating procurement processes and turning to value-added products. In order to adapt to the global transformation, we gave added impetus to our sustainability efforts while keeping up with the new demand dynamics, especially in the chemical and advanced materials sectors. Our company continues to pursue growth opportunities in the North American market, and by expanding our product range, we continue to strengthen our capacity to offer innovative solutions with high added value.

On the other hand, changes in global trade policies will be a key factor shaping our activities in the coming period. With the presidential elections in the USA and the re-inauguration of Donald Trump, uncertainty has increased surrounding global trade dynamics. In particular, customs tariffs, ramped up protectionist policies and high inflation may lead to transformations in supply chains with direct effects on global raw material and export markets. At Akkök Holding, we will continue to follow these changes closely and minimize the effects of trade policies on our operational processes, developing flexible strategies that will protect our competitiveness in global markets.

In the chemicals and advanced materials sector, we continue to invest in strategic products that will contribute to Türkiye's export capacity and which are not produced in our country. In order to meet the needs of the local industry and firm up our position in international markets, we continued to focus on innovative production processes and sustainable solutions, while supporting high-tech production with our investments in chemicals and advanced materials. Aksa Akrilik's Mithra investment, which will be implemented in 2025 for the production of UHMWPE (ultra-high molecular weight polyethylene) fiber, is aimed at enabling the domestic production of this durable and lightweight material, which is used in a wide range of areas from bulletproof vests to heavy-duty ropes, with the product bringing added strategic value to defence, fisheries and industrial applications. The facility, which will enter production in 2025 with an annual production capacity of 350 tonnes, will gradually expand to reach an annual capacity of 500 tonnes. Implemented with a budget of USD 20 million, this facility aims to reduce Türkiye's dependence on imported materials and increase its strategic production capacity. At Aksa, the first phase of the Aksafil technical acrylic yarn facility, which will produce yarn from outdoor acrylic fiber to be used in areas such as tent and awning production, was completed in 2024 with its annual production capacity reaching 4,000 tonnes, with a further increase to 7,000 tonnes planned in 2025.

With Aksa Akrilik's acquisition of 54% of Epsilon Composite's shares, Epsilon Kompozit became a wholly owned Akkök Holding company. This USD 22.3 million acquisition reinforced the focus on growth in the advanced materials sector and the planned composite capacity expansion investments were stepped up. In line with Epsilon's growth strategy, which is focused on hydrogen fuel storage technologies, work continued on the hydrogen tank being developed with Ford Otosan. The commissioning of the third production line last year, DowAksa's carbon fiber production capacity exceeded 9,000 tonnes. With all lines operating at full capacity throughout the year, the company was able to respond more effectively and sustainably to increasing demand, especially from the renewable energy and defense sectors. While steadily increasing our production power, we also meticulously plan the steps that will support our competitiveness on a global scale. Accordingly, we carefully examine DowAksa's growth opportunities in order to further enhance its position in the global market.

Akkim Kimya is rapidly moving forward in its efforts to establish Türkiye's first domestic epoxy resin production facility in a EUR 135 million investment and will commission the first phase of the facility in 2025 with the facility reaching full capacity in due course, with the aim of reducing Türkiye's foreign dependence on epoxy resin and strengthening its value-added chemical production capacity. Sustainable raw materials will be used in this investment in line with the principles of the circular economy, with wastewater recovery solutions to be implemented.

Renewables accounted for 26% of Akenerji's 1,224 MW installed capacity in 2024, with the company maintaining its focus on resource diversity and efficiency. Maintaining its activities in European energy markets, the company supported its steady growth with a trade volume of 5.6 TWh. The company, which also exports and imports electricity on the borders between Türkiye and both Greece and Bulgaria, is currently seeking an electricity trading license in Greece through Aken Europe BV, which was established last year. Work on hybrid solar power projects and capacity increases in its wind farms continued within the scope of renewable energy investments, while at the same time, the company's financial sustainability was strengthened with effective debt management measures.

Restructured with the partnership of Torunlar Group, Akcez transitioned into a new investment period in 2024. SEDAŞ modernized its electricity infrastructure with an investment of more than TL 3.5 billion in its region of activity, thus raising customer satisfaction rates to approximately 7 points above the Türkiye average. Sepaş Energy, meanwhile, was one of the top 100 companies in the Capital 500 list. The company strengthened its customer-focused, innovative structure with investments in energy efficiency, charging networks, and services provided through its mobile app. Group-wide projects such as "Women's Energy," "Sepaş in Your Pocket," and sustainability-focused projects continued to create value in environmental and social responsibility.

In the real estate sector, we maintained our stable performance with an occupancy rate of over 95% at the Akasya and Akbatı Shopping Malls with Akiş REIT. High occupancy rates and new leases in our shopping malls have strengthened our operational efficiency and position in the market, while we focused on occupancy management and leasing performance in operational processes. We also aim to contribute to the development of the region with our project planned on an area of approximately 100,000 m^2 in Sahrayıcedit, in Istanbul's Kadıköy district. This mixed project, which will consist of residential and commercial areas, will be developed with an approach of sustainable architecture and modern urbanism and serve as an important part of our real estate strategy, which focuses on projects that generate long-term income in locations with high potential.

In line with our strategy to invest in advanced materials and innovative technologies, the 212 NexT fund, in which we are an anchor investor, invested in the ExoMatter and FibreCoat companies, based in Germany, in 2024. While ExoMatter supports innovation and sustainability by accelerating material development processes with its AI-supported R&D platform, FibreCoat focuses on the production of lightweight and durable materials with the coating technologies it has developed. Aiming to lead the global transformation in advanced material technologies, we continue to support technology-based initiatives.

In 2024, Akkök Holding's Sustainability Strategy was created and group-wide targets were set under five main headings determined by prioritization analysis. Work was initiated with a sustainable governance structure in the focus areas of Future Compatible Jobs, Effective Talent Management, Digitalization, the Green Strategy and Sustainability Leadership. Significant improvements were recorded in the ESG index performances of our group companies (CDP, EcoVadis, Refinitiv, Sustainable Fitch). While Aksa and Akkim stand out with their biodegradable products, a total budget of USD 9 million was allocated to R&D and innovation. Within the scope of digital transformation, various projects were implemented such as stock optimization at Akcoat, demand forecasting at Akkim and the AI-supported OHS platform at Aksa. In addition, the employee satisfaction score was maintained in the GPTW (Great Place to Work) measurements.

We have taken our approach to social responsibility even further within the scope of our social benefit projects by ramping up our investments in education and equality-oriented initiatives. Our "Chemistry of Equality" project, launched in cooperation with Aksa Akrilik, Akkim Kimya and DowAksa, supports women's empowerment and girls' access to education. This project, carried out in cooperation with AÇEV, provides literacy, mathematics and life skills training to women, with supportive programs implemented for young girls to continue their education. In line with our social responsibility approach, we continue to add value to society with projects that support education, employment and equal opportunity.

Following the devastating earthquakes which struck on February 6, 2023 and which deeply affected us all, Akkök Holding stood up to the plate and acted with the responsibility of providing a sustainable contribution to the recovery process in the region. Going beyond emergency relief efforts and reaching out to support the social and emotional recovery process of individuals affected by the earthquakes, we launched the Iskenderun Support Center in 2023 in cooperation with the Community Volunteers Foundation (TOG). We initiated this project with the aim of providing permanent and inclusive support, and continued this support in 2024, reaching around 30,000 people with more than 1,500 events. We contributed to the development of children, young people and women by providing education, psychosocial support and awareness programs and continued to encourage individuals to look to the future with hope through activities ranging from science and art to emotional development and social awareness.

As Akkök Holding, we are moving forward in line with our strategic goals, and our financial performance stands as testament to our resilience. We have invested a total of approximately USD 360 million, focusing on managing our portfolio effectively by prioritizing sustainability, digitalization and innovative technologies in our investments. As a result of our activities throughout the year, we recorded USD 4.2 billion in total turnover in 2024 with EBITDA of USD 645 million and exports of USD 802 million. Our financial indicators reveal our stable and solid growth strategy, despite global economic fluctuations.

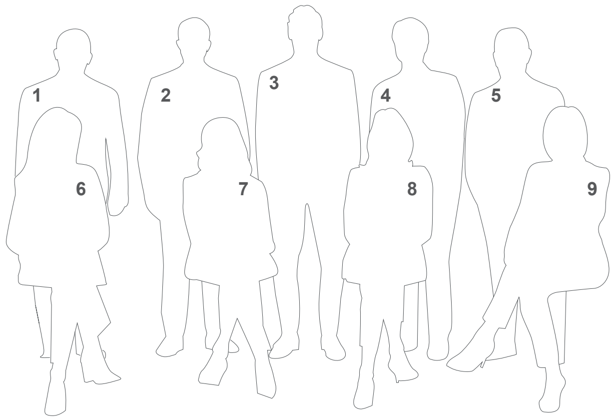
In 2025 and beyond, we aim to strengthen our sustainable growth strategy and strengthen our leadership in the sector by increasing our investments in technology. In this period of increasing global competition, we will continue to shape the future by investing in innovation, digitalization and green transformation projects. As Akkök Holding, we will resolutely continue to create value for our stakeholders and contribute to the country's economy in the coming years.

I wish you a year full of health, success and happiness.

Respectfully,

İhsan Gökşin Durusoy
CEO and Member of the Board of Directors

BOARD OF DIRECTORS



1 - **Dr. Yılmaz Argüden**
Member of the Board of Directors

2 - **Mehmet Emin Çiftçi**
Member of the Board of Directors

3 - **Raif Ali Dinçkök**
Chairman of the Board of Directors

4 - **İhsan Gökşin Durusoy**
Member of the Board of Directors and Chief Executive Officer

5 - **Ahmet Cemal Dördüncü**
Member of the Board of Directors

6 - **Melis Çiftçi**
Member of the Board of Directors

7 - **Nilüfer Dinçkök Çiftçi**
Vice Chairman of the Board of Directors

8 - **Alize Dinçkök**
Member of the Board of Directors

9 - **Özlem Ataünal**
Member of the Board of Directors

AKKÖK HOLDING BOARD OF DIRECTORS

Raif Ali Dinçkök

Akkök Holding Chairman of the Board of Directors

Born in Istanbul in 1971, Raif Ali Dinçkök graduated from the Department of Business Administration at Boston University in 1993 and began working at various companies within Akkök Holding. He continued his career in the Purchasing Department of Ak-Al Tekstil San. AŞ from 1994 to 2000, and as a Coordinator at Akenerji Elektrik Üretim AŞ from 2000 to 2003. Prior to taking on his role as the Chairman of the Board of Directors of Akkök Holding, Dinçkök served as a member of the Board of Directors and Vice Chairman of the Executive Board of Akkök Holding.

In addition to serving as the Chairman of the Board of Directors of Aksa Akrilik, Akkim, Akiş REIT, Akmerkez GYO, and Akkök Next, Raif Ali Dinçkök also serves as Vice Chairman and Board Member of other companies within Akkök Holding.

Nilüfer Dinçkök Çiftçi

Akkök Holding Vice Chairman of the Board of Directors

Born in Istanbul in 1956, Nilüfer Dinçkök Çiftçi graduated from Lycée Français Sainte Pulchérie in Istanbul in 1970. She continued her education in Switzerland, where she later graduated from St. Georges School in 1976. In addition to Akkök Holding AŞ, Nilüfer Dinçkök Çiftçi serves as Vice Chairman of the Board at Aksa, Akpa, Dinkal, Akkök Next and various Akkök Holding Companies.

Ahmet Cemal Dördüncü

Akkök Holding Member of the Board of Directors

Born in Istanbul in 1953, Ahmet C. Dördüncü, graduated from Çukurova University, Department of Business Administration. Later, he pursued his postgraduate studies at Mannheim and Hannover Universities. Mr. Dördüncü began his professional career at Claas OHG Company in Germany, and after returning to Türkiye, he worked at Mercedes Benz AŞ between 1984 and 1987. He joined Sabancı Group in 1987, and assumed several positions at Kordsa AŞ until 1998. Mr. Dördüncü served as General Manager/President at DUSA South America, and later at DUSA North America in 1998.

After working as Group President of Strategic Planning and Business Development at Sabancı Holding AŞ in 2004, he assumed the position of Chairman of the Executive Board of Sabancı Holding from 2005 to 2010. In addition to currently serving as a Board Member of Akkök Holding, he assumed the role of Chairman of the Executive Board of Akkök Holding from 2013 to 2022. Ahmet C. Dördüncü is the Chairman of the Board of Epsilon Kompozit. Ahmet Dördüncü, the United Nations Global Compact Türkiye Board Chairman, is also a Board Member at International Paper Co.

Alize Dinçkök

Akkök Holding Member of the Board of Directors

Born in Istanbul in 1983, Alize Dinçkök graduated from the Sawyer School of Management at Suffolk University in 2004. She successfully completed the Harvard Business School General Management Program in 2015 and the Innovative Thinking Program at the MIT Sloan School of Management in 2018.

She began her career in 2005 as a Strategic Planning Specialist at Ak-Al Tekstil Sanayi AŞ. With the establishment of Akiş Gayrimenkul Yatırım Ortaklığı AŞ in 2005, she transferred to the company and served as a Project Coordinator, Sales and Marketing Manager and the Assistant General Manager of Sales and Marketing.

A member of the Board of Directors of Akkök Holding AŞ, Alize Dinçkök has also served as the Chair of the Boards of Akmerkez Lokantacılık, Ak-Pa Tekstil, Dinkal Sigorta, Üçgen Bakım ve Yönetim Hizmetleri and Akyaşam Yönetim Hizmetleri. She also serves on the Boards of Directors of Aksa Akrilik, Akkim, Akcoat, Akiş REIT, Akmerkez GYO, Akgirişim, and Aktek Bilişim, and manages the Akkök Group Marketing Platform, established in 2015.

İhsan Gökşin Durusoy

Member of the Board of Directors and Chief Executive Officer

Born in Denizli in 1964, İhsan Gökşin Durusoy graduated from Boğaziçi University with a master's degree in Industrial Engineering in 1987. He began his career as a Production Engineer at Arçelik, before serving as a Financial Affairs and Information Technology Officer at İzmir Demir Çelik AŞ from 1988 to 1989. He joined Ak-Al Tekstil Sanayii AŞ, a subsidiary of the Akkök Group, as a Budget Planning Manager in 1989. Durusoy served as Budget Planning Manager and then as the Strategic Planning Director at the same company. He served as Deputy General Manager at Akiş REIT, which was founded in 2007 with the goal of undertaking unique and large-scale real estate projects, and as the General Manager and a Board Member since 2009. Mr. Durusoy was appointed to the position of Chief Executive Officer and Board Member of Akkök Holding in January 2023. He also serves as the Chairman of the Board of Aktek Bilişim, Vice Chairman of Aksa Akrilik, Akkim, and Akiş REIT, and as a Board Member of various Akkök Group companies.

Mehmet Emin Çiftçi

Akkök Holding Member of the Board of Directors

Mehmet Emin Çiftçi was born in Istanbul in 1987, and graduated from Istanbul Ticaret University Faculty of Business Administration. He started his professional life in the Department of Budget Planning and Reporting in Ak-Kim Kimya Sanayi ve Ticaret AŞ, and completed his Business Administration education in UCLA Extension (UCLA). Mr. Mehmet Emin Çiftçi completed the MBA program at the Institute of Business at Özyeğin University in 2018.

Besides serving as a Member of the Board of Directors of Akkök Holding AŞ, Mehmet Emin Çiftçi also holds positions on the boards of various Akkök Holding companies, including SEDAŞ, Akkim, Aktek and Akiş REIT.

Melis Çiftçi

Akkök Holding Member of the Board of Directors

Born in 1978 in Istanbul, Melis Gürsoy graduated from Özel Işık High School in 1996 and continued her higher education in Boston, Massachusetts, where she received her degree in Business Administration from Mount Ida College in 2000. She started her business career at Ak-Pa Tekstil İhracat Pazarlama AŞ Melis Çiftçi serves on the Boards of Akkök Holding AŞ, where she is a Board Member.

Özlem Ataünal

Akkök Holding Member of the Board of Directors

She graduated from Üsküdar American High School in 1985 and Uludağ University, Department of Business Administration in 1989. Starting her career at Iktisat Bank, Ataünal held various positions from Branch Manager to Customer Relations Management at Körfezbank. She joined Akkök Group in 2000 as Budget and Finance Manager of Akenerji.

Ataünal served as the CFO at Akkök Holding from 2005 to 2022 and was appointed as a Member of the Executive Committee responsible for Finance in 2012. In 2017, he became a Board Member of Akkök Holding AŞ. Over the years, Ataünal has taken on various responsibilities and currently serves as a Board Member of Akkök Holding AŞ and President of the Energy Group. In addition to these roles, he is the Chairman of the Board at AKCEZ, Akenerji and Sepaş Enerji serves on the Boards of other group companies. Ataünal has been a member of TÜSİAD since 2013.

Dr. Yılmaz Argüden

Akkök Holding Member of the Board of Directors

Dr. Argüden is the Chairman of the Board of Directors of AR-GE Danışmanlık, known globally for its efforts to prepare companies for the future, the creative and innovative management strategies it has developed, and its social contributions. In addition to being the Chairman of the Rothschild & Co investment bank in Türkiye, he has served on the boards of more than 70 companies in various countries throughout his career. Having started his career at the Koç Holding R&D Center, Dr. Argüden later worked as a Strategic Analysis Specialist at The RAND Corporation. He worked with 20 countries in the World Bank Credits Department, where he assumed the position of Section Manager. Carrying out the responsibility of the Privatization Program between 1988-1990, Dr. Argüden served as the Chief Advisor to the Prime Minister on the economy in 1991. Initiating the National Quality Movement during his KalDer Presidency, Dr. Argüden was elected as the World President of National Networks and served on the UN Global Compact Board of Directors, the world's most widespread sustainability platform.

Known around the world for his work on boards of directors and governance, and whose books and articles are published in many languages, Dr. Argüden is the Chairman of the Board of Trustees of Argüden Yönetişim Akademisi. He also assumed international duties such as the Chairman of the Business at OECD Governance Committee and a member of the IFC Corporate Governance Group Advisory Board. Having completed Boğaziçi University by winning the Rector's Award for both academic first place and student leadership, and winning the Turkish Basketball Championship three years in a row as the playmaker in the Tarsus American College and Boğaziçi University basketball teams, Dr. Argüden also served as the Vice-President of the Turkish Basketball Federation.

He has given lectures on strategy, governance and sustainability at Boğaziçi University, Koç University and War Academies. Winning many professional awards such as Outstanding Citizenship, Strategic Leadership, and Quality Leadership throughout his career, Dr. Argüden was selected among the 100 Global Leaders of the Future by the World Economic Forum.

CHEMISTRY AND ADVANCED MATERIALS

- Aksa Akrilik Kimya Sanayi AŞ
- Akkim Kimya Sanayi ve Tic. AŞ
- Akcoat İleri Kimyasal Kaplama Malzemeleri Sanayi ve Ticaret AŞ
- DowAksa İleri Kompozit Malzemeler Sanayi Ltd. Şti.
- Epsilon Kompozit Teknoloji ve Savunma Sanayi AŞ

Aksa Akrilik Kimya Sanayii AŞ

"We further deepened our sustainability-oriented work in 2024. While expanding our production structure in line with the principles of the circular economy, we have implemented projects aimed at waste management, reducing energy consumption and lowering carbon emissions. We have redesigned all of our processes, from production to shipping, with an approach that considers the environmental impacts."

Cengiz Taş
Member of the Board of Directors - General Manager

Founded in 1968 in Yalova to meet the needs of acrylic fiber of Türkiye, Aksa Akrilik began production in 1971 with a capacity of 5,000 tonnes/year. With the vision of investing in technology in order to maximize operational excellence and creating sustainable, profitable, new areas of use for acrylic fiber, Aksa today is a world giant with 400 customers in more than 50 countries on 5 continents with its new technology and modernization investments undertaken over the years. With more than 1,400 employees, an area of 600,000 m^2 and an annual capacity of 355,000 tonnes, Aksa it is the world's largest acrylic fiber producer under one roof and the only producer of acrylic fiber in Türkiye.

Along with its success in production, Aksa is also a leader with implemented management systems, environmental practices and social responsibility projects, and thanks to its extensive product range it supplies textiles and technical textile raw materials to various industries. Aksa, which expands its new and special product portfolio with its more than 50 years of experience and customer-oriented approach every year, started to produce outdoor fibers in 2001 apart from textile fibers and advances its claim in technical fibers with its flock tow, homopolymer and filament yarn products. In 2009, after improving its technology infrastructure, Aksa commenced production of carbon fiber, which is considered one of the most vital raw materials of the 21st century.

Aksa Akrilik once again registered its success with its corporate management approach. At the "14th Corporate Governance Awards", organized by the Corporate Governance Association of Türkiye, it was awarded the title of "The Third Company with the Highest Corporate Governance Rating".

Aksa Akrilik, which has been listed on the Borsa Istanbul Sustainability Index since 2018, continues to be part of the index, which consists of high-market-value and high-trading-volume shares.

Aksa formed its medium and long term strategy in line with global trends and sustainable growth principles. With this index, Aksa manifests its approach to important issues such as global warming, health, employment and water resources for the world and for Türkiye.

Aksa Akrilik continues its efforts to create new business areas and develop new products for acrylic fiber with its unique technology knowledge through its R&D activities. We continued our initiatives for Aksa's future without slowing down, such as the growth in investment for our ultra-high molecular weight polyethylene product, which we started to produce under the Mithra brand, and the ring yarn facility investment for our technical fiber customers.

We proved our operational flexibility and agility during 2024, while at the same time reinforcing our long-term vision with clear projects. Despite the economic, political and ecological uncertainties prevailing in the world and in our region, our company demonstrated a creditable performance in all operational areas from production, finance and human resources to the digital transformation.

Throughout 2024, we worked with a capacity utilization rate of 82% and achieved 47% growth, especially in our technical products. This increase serves as a concrete indicator of the competence and success we have achieved in our value-added product group. This success has emerged as a result of our economically astute strategies, as well as new generation investments, effective process management and team synergy.

The year 2024 was expected to be characterised by low demand in the domestic market due to high interest rates and policies aimed at exchange rate stabilization. However, in the first quarter of the year, demand for fiber remained brisk as domestic customers turned to stock production to maintain their capacities and prepare for the season. By April, the increase in capital costs and appreciation of the Turkish lira started to squeeze margins and led to a weakening in demand for textiles. The expected revival ahead of the peak season was only limited to the effect from e-commerce companies, from the middle of September. However, by then it was too late to recover the margin loss in yarn prices.

Compounding the impact of low demand throughout the year, aggressive pricing from Far Eastern and, in particular, Chinese competitors eroded Aksa's market share in the domestic market, bringing a more negative impact than the fall in demand. Antidumping measures to tackle unfair competition from China were officially announced by the Ministry of Commerce at the end of the year.

In export markets, the Asian market struggled amidst pricing pressures from Far Eastern producers, while the Company maintained a strong market share in Europe, Africa and America. Although the war and economic uncertainty subdued demand to some extent in the Middle East, we succeeded in maintaining our market share in this region. Demand for technical fibers rebounded in 2024, going some way to compensate for the loss in textile fibers.

Despite these challenges, our Company managed to maintain a global market share of 25-26%. Expectations for 2025 are that economic policies will continue in parallel with what had been seen in 2024 with no recovery in global demand until the second half of the year. Against this backdrop, we expect sales in 2025 to be close to their 2024 levels.

Aksa operated at a capacity utilization rate of 82% in 2024 thanks to its strong brand image, low cost advantage and effective supply chain management brought about by being the largest manufacturer in the sector. The growth in demand for value-added technical fibers had a positive impact on profitability in the fiber business unit. A total of 292,000 tonnes had been shipped by the end of the year, bringing the proportion of exports in total sales to 49% (2023: 318,000 tonnes, accounting for 43% of total sales).

Acrylonitrile (ACN), which a price-setter in the industry, started the year at a price of USD 1,150/tonnes before hovering in a USD 1,200-1,300/tonnes band, raising acrylic fiber prices. There were no constraints with the supply of the main raw materials.

Profit margins in the energy business unit declined when compared to previous years due to a decrease in sales prices and a limited increase in raw material costs.

Textile fibers

Global acrylic fiber consumption contracted by 5% in 2024, with the historic low levels of substitute product prices and aggressive pricing policies from Chinese manufacturers suppressing profitability in the sector, as well as falling demand.

Looking at the sub-sectors:

The knitwear sector recorded a sharp slump in exports as capacity utilization fell to 50%. Despite some periodic recoveries, the carpet industry has failed to recapture the market share which acrylic fiber has lost to competing fibers. The hand-knitted and premium yarn sectors maintained their 2023 levels, and even posted slight growth despite pressure from the competitive margin and squeezed margins. Despite the multitude of challenges, Türkiye and the surrounding remained an important hub for acrylic fiber production with their strong competitive advantages, rapid service and innovative strategies.

Our new business line, AksaFil yarn, has increased the use of acrylic fiber in new sectors, helping to bring acrylic fiber to a wider customer base.

In 2025, the effects of monetary expansion policies and regional development will have a decisive impact on demand. The general expectation is for a partial recovery in demand in the second half of the year. In this process, Aksa is expected to maintain its high market share in the global and local market and maintain its activities in accordance with its targets with new value-added products.

Technical fibers

In addition to their strong market share in outdoor and industrial uses, technical fibers have increasingly emerged as a performance product in indoor environments in recent years. Supporting the rise in capacity to meet the increasing needs from end consumers for long life and durability in products with machine transformations has provided a significant contribution to profitability over the years.

After a relatively weak year in 2023, demand started to bounce back at the beginning of 2024, with sales in export markets being higher than expected compared to the previous year. The main reasons for this increase include the availability of invested products in the market, customer-side stock levels and economic recovery indicators, especially in the US market. The increase in technical fiber demand made a positive contribution to the company's profitability level.

On the other hand, starting in 2025, "Ultra high molecular weight polyethylene", which continues to be produced under the Mithra brand, will be produced from the 7,000-tonnes capacity technical yarn production facility which was commissioned at the end of 2024. Thus, the value-added product range continues to grow with this type of fiber also being used in the aviation and marine sectors. Technical and advanced materials, which are the Aksa's main growth areas, will continue to grow organically and inorganically.

Technical fiber brands

i. Acrysole

There was a stock reduction process in the outdoor fiber segment, where we operate with our Acrysole brand, in 2023 as the surge in demand that followed the end of the pandemic started to subside. However, the segment started to recover in 2024, while a revival in housing sales in the US in 2025 is expected to spur sales of outdoor products are also expected to increase. With ongoing interest for performance-oriented outdoor products, Acrysole offers a competitive differentiation.

ii. Acrylusion

Our filament product, offered under our Acrylusion brand, continues its growth in the carpet industry, especially in chain stores in the US, with new designs and the use of combined yarns. Trials are currently underway in chain stores in the United States. Meanwhile, the Company has entered the Indian handmade carpet market and targets growth in this sector in 2025. The filament texturing process has paved the way for the creation of new business areas in the upholstery sector.

iii. Armora

The Company increased its capacity to support growth in the flame-retardant products segment. Production capacity was raised to 2,000 tonnes in 2023 and 5,000 tonnes in 2024. The Company has

targeted a deepening in this market by introducing innovative products to the market with its work in R&D and the development of applications.

iv. Acrybella

The growth trend observed in synthetic hair fibers in previous years ground to a halt in 2024 due to economic and political developments in African countries, especially Nigeria. The economic recession in Nigeria lasted longer than in 2023. However, sales activities were stepped up in other parts of Africa to balance the effects of this economic fallout.

v. Acryterna

Our flock fiber product, produced under the Acryterna brand, serves the automotive and construction sectors. Sales in the automotive sector were hit by weak demand, especially in Europe. On the other hand, the recovery in the construction sector helped support sales in this segment.

Our homopolymer acrylic fiber product for the filtration industry maintains its competitive edge. We maintained the market share we had gained due to our competitor's supply chain issues in 2024, while starting to developing new areas of usage.

Mithra

Aksa's investment in the Ultra High Molecular Weight Polyethylene (UHMwPE) product, developed under the Mithra brand, represents an important step in advanced material technologies. Commercial products are planned to be launched in the first half of 2025. The initial capacity of 350 tonnes/year is planned to be increased gradually to 500 tonnes/year. Mithra has been developed for use in various sectors, particularly the aviation and marine sectors which require high strength and durability. This investment involves the design of new production processes and initiation of additional investments in order to support the integration of the product into different application areas. The new production line, which is scheduled to be commissioned in the third quarter of 2025, is part of our growth strategy for high-performance materials.

Developed entirely with Aksa's technology, Mithra will be produced for the first time in Türkiye, and will place Aksa as one of a select few UHMwPE manufacturers in the world. The primary goal is to meet the needs of the local market and to be positioned as a strong supplier in the global market.

Akkim Kimya Sanayi ve Ticaret AŞ

Onur Kipri
Member of the Board of Directors - General Manager

"Akkim Kimya closed 2024 off with approximately USD 482 million in turnover. We aim to reach USD 1 billion in turnover by 2029 with our new investments and acquisition plans, which have a vital place in our strategy. The commissioning of our Epoxy Resin Production Facility, following the investment which continues in Yalova, will mark a clear step towards this goal, breaking new ground for Türkiye and neighbouring countries, and we will become the only producer of this raw material which has strategic value for many sectors in our country."

Akkim Kimya, which started its journey in 1977 with an annual production of 1,000 tonnes of sulfur dioxide, has become one of the largest chemical producers in our country today.

With a total annual production capacity of up to 800,000 tonnes across five different locations, primarily in Yalova, and our wide product portfolio, we are a solution partner to many different sectors, ranging from textiles to construction, plastics to food, energy to petroleum, water treatment to healthcare and pharmaceuticals to agriculture. We have a unique, competitive position both in Türkiye and Europe.

Exporters and industrialists faced a multitude of difficulties in 2024 with conflicts and instability in our region, the slowdown in the European and Chinese economies, the inflationary environment which the world is going through, sluggish demand, excess capacity and intensifying competition conditions, and it was against this backdrop that we determined our agenda in 2024.

Despite all global and regional risks, Akkim achieved turnover of approximately USD 482 million in 2024 with our wide product range which appeals to more than 20 sectors, our growth-oriented investments, our R&D and innovation clout, our strong supply chain and marketing capability and our way of doing business that focuses on sustainability and adopts the principle of creating value for all of our stakeholders.

With our new investments and acquisition plans, which play an important role in our strategy, we are taking clear steps towards our goal of achieving USD 1 billion of turnover by 2029. With the completion of our Epoxy Resin Production Facility, which is in the investment process, we will take a concrete step towards this goal, breaking new ground for Türkiye and neighbouring countries, and we will become Türkiye's only producer of this raw material, which has strategic value for many sectors. We will produce 50,000 tonnes of liquid and solid epoxy resin formulated derivatives annually at the facility. The

production of the liquid and solid epoxy resin will contribute approximately USD 200 million every year towards reducing current account deficit, completely substituting up to 50,000 tonnes of exports per year. As part of our expansion strategy in Europe, the Dinox company, which we acquired in Germany, was registered under the Akkim Europe brand in 2024, continuing its activities under this name. We aim to further strengthen our presence in the region with Akkim Europe.

To this end, we are delighted to note that of the dozens of projects we are carrying out with our own resources, around 20 of them are supported by TÜBİTAK-TEYDEB. As of 2024, we had submitted 68 patent applications in the national and international arena, of which one utility model and 10 patents have been registered.

We value R&D and place it at the center of our growth strategy. In our 2,700 square meter R&D Center, accredited by the T.R. Ministry of Industry and Technology, we focus on creating value for both our country and the world. As we lead the development of new technologies and sustainable solutions, we expand the global applicability of these technologies through collaborations and partnerships. Through the joint projects we carry out with domestic research institutions, universities and world-class companies, we stand out among the innovative solution providers in the sector. On the back of these efforts, our company ranked 118th in terms of the number of R&D projects, and 7th in terms of spending on R&D in the sector in the "R&D 250" list compiled by Turkishtime Magazine this year.

We are rapidly making our technological infrastructure investments so that the digital transformation and digitalization culture can take root in our Company. We taught our work done with repetitive algorithms to intelligent automated robots (RPA). Thus, while we carried our manpower use to optimum levels, we also made quality improvements in employee motivation. With the digitalization steps in waste management, we aim to reduce the amount of waste and to separate and recover the waste generated at the source. We are planning to implement more dynamic and efficient applications by reviewing our technological roadmap in areas such as facility intelligence, automation, and product life cycle. One of our primary goals is to contribute to sustainable living by continuously measuring and optimizing our energy efficiency.

Additionally, we continue to develop artificial intelligence applications that can prevent supply chain disruptions during the pandemic. By improving our ERP processes, utilizing real-time analysis capabilities and employing methods aimed at reducing error margins to zero, we lower our costs, supply the right product at the optimum time and sustain our quality.

As part of our responsibility to our stakeholders, we know and uncompromisingly fulfill our duties for the future of our world. As a signatory of the United Nations Global Compact, we work with all our strength in economic, social and environmental fields to offer a better world to future generations with the principle of "Sustainability is in our chemistry". We are based on sustainable development goals: clean water, hygiene and public health, accessible and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduction of inequalities, responsible consumption and production, climate action, life in water and on land. We report and transparently share our concrete practices on this axis in accordance with international standards. Our "Gold Awareness" level in Ecovadis was also in the top 2% this year.

We notched up significant success to rank 48th in the "S500 - Green Traceability" survey, carried out for the third time this year, in the "100 Leading Companies in Sustainability" list. In addition, we ranked 11th in the "Global Compact - First Signatories" category.

As part of our sustainability strategy, we launched a new gender equality project in Yalova under the name of "The Chemistry of Equality" together with two chemical group companies operating under the umbrella of Akkök Holding. Within the scope of the project, we have commissioned projects that will contribute to gender equality throughout Türkiye, starting from our region. In the first leg of the project under the 'Mother Child Education Foundation (AÇEV) Lively Meetings' program, we organized training for women over the age of 18 and girls between the ages of 14-18 in Yalova.

Ensuring the sustainability of our quality human resources is also a key priority for us. The "Great Place to Work Certificate" which we have earned in recent years once again confirms the satisfaction of our employees, and we are delighted to create value in society by working to raise the bar higher each year.

In 2024, we were included in the list of "Türkiye's 100 Most Popular Companies", in which more than 91,000 students and 39,000 young professionals voted. We won the award in the "Learning Organization and Learning Agility" category at the Human Value Awards organized by the People Management Association of Türkiye, PERYÖN, which has been operating for 52 years with the vision of leading a better working life for now and the future, in order to promote innovative, creative and successful practices in the field of human resources and to spread human-oriented practices that set an example in the business world.

We thank our colleagues who ensure that the name Akkim Kimya is always associated with success and reaffirm our vision to continue our leading role in our country and globally with our strong team.

Akcoat İleri Kimyasal Kaplama Malzemeleri Sanayi ve Ticaret AŞ

"2024 was not just a year of economic challenges, but also transformational opportunities. In this period where global economic uncertainty, tight monetary policies and high financing costs have reshaped production and export balances, Akcoat has maintained its strategic determination, increased its resilience and taken steps to build the future on more solid foundations."

Burç Yıldırım
General Manager

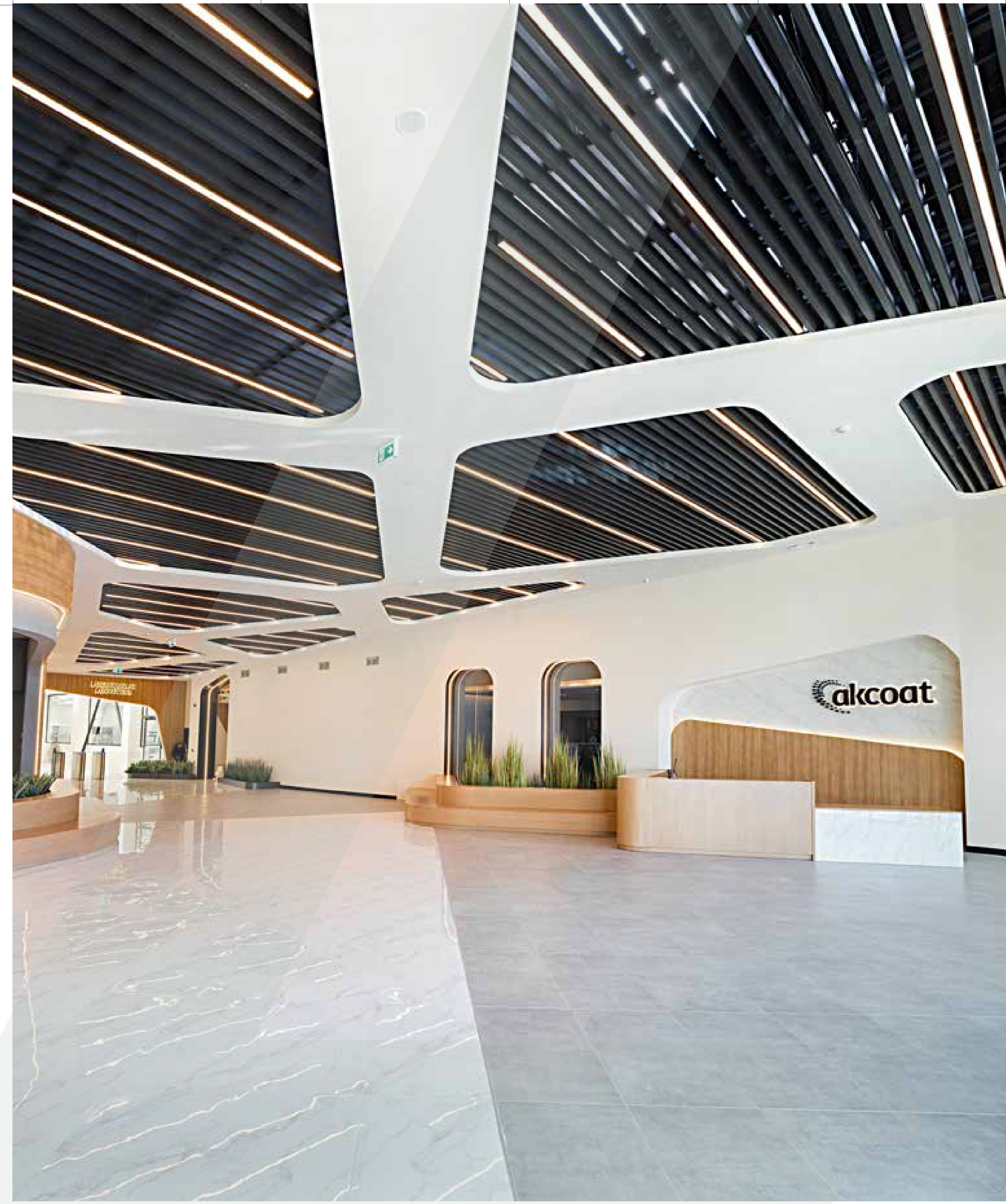
Against this backdrop of volatility and contracting demand in the world economy, we have both strengthened our presence and maintained our global competitiveness thanks to our strong export clout and stakeholder-oriented approach.

Backed by our effectiveness in export markets and the diversity and quality of our product portfolio, we have been able to increase our international sales. While higher interest rates and borrowing costs around the world have been putting pressure on corporate profitability and presents a risk for us, they also offer us an opportunity to optimise and increase the resilience of our financial structure.

Although our financial results for 2024 naturally reflect the global conjuncture and the contraction in the domestic market, we achieved positive results in line with our targets thanks to our strategic management and operational efficiency. Our investment expenditure of USD 8.2 million and exports of USD 73 million in this period underline the value we provide to our economy and sector.

Our 468th ranking this year in the Istanbul Chamber of Industry's "Türkiye's Top 500 Industrial Enterprises (ISO 500)" list, one of Türkiye's most prestigious performance rankings, stands as testament to our sustainable growth, even under challenging conditions. In addition, we once again registered our global success with an award in our own category this year in the "Stars of Export" award program, which has been successfully carried out for 17 years by IKMIB.

Our R&D strength has been the driving force of all of our activities throughout 2024. Operating as an R&D Center since 2017, Akcoat maintained its mission of being a centre that produces innovative solutions in the sector. As one of the largest R&D centers in Türkiye's chemicals and materials industry, a total of 32 R&D projects have been successfully implemented on our 10,000 m^2 campus, thanks to the work we carry out with our qualified researchers specialized with Master's and Doctorate level education. Twelve patent applications have been submitted and five patents registered. With 11 international publications and 10 academic papers, we maintained our leadership in the production of



scientific knowledge. Our 190th ranking in the overall ranking and 72nd ranking in terms of the number of projects in the TurkishTime R&D 250 research, which ranks the most innovative companies in Türkiye, was once again a source of pride for us, reflecting our strength in this field.

In 2024, we adopted our sustainability approach as an existential responsibility which goes beyond a goal. We received our I-REC certificate, confirming that 97% of the energy we consume is generated from renewable sources. We calculated our carbon and water footprint and started our verification processes, and record this process with our TSRS and GRI compliant sustainability report. We have uncompromisingly maintained our efforts to reduce our environmental impact in all of our activities with LCA, waste recycling, Kaizen projects and environmentally friendly production systems.

This commitment to sustainability has also won the appreciation of our business partners. Our selection as one of the "Top 5 Sustainable Suppliers" by Arçelik in 2024 and receiving the "Valued Business Partner" accolade among 13,000 suppliers at the "Global Supplier Summit" organized by Şişecam demonstrated how our work in this field has been on the right track. These awards are a tangible result of our vision of producing sustainable solutions and developing innovative collaborations.

We expanded our social impact in 2024 with social responsibility projects that reflect our corporate sensitivity. With the events we organized to mark important days such as World Environment Day, World Animal Protection Day and the International Day for the Elimination of Violence against Women, we both increased awareness among our employees and took meaningful steps for the benefit of the environment and society. We have reinforced the importance we attach to women's empowerment at the international level with the United Nations Women's Empowerment Principles (WEPs), which we signed in 2024.

Akcoat's representation power on a global scale also manifested itself in the international fairs, congresses and industry meetings which the company attended throughout the year. We had the opportunity to showcase our sustainable and high-tech solutions at events such as Glasstec in Germany, Cersaie in Italy, the Global Glass Show in Dubai and the Lithium Supply and Battery conference in Las Vegas. In addition, by hosting a delegation of the International Lithium Association at our R&D center, we took an important step towards sharing information and developing potential collaborations with the leaders of our industry.

In order to increase operational efficiency, we have carried out a number of improvements in warehouse processes and strengthened our network infrastructure. We have ramped up our measures in the field of cyber security and taken the security of our information systems to a higher level. With the improvements we have performed in master data processes, we have created healthier and faster decision-making mechanisms by ensuring data accuracy and integrity. We have boosted our digital maturity level with our investments in system integrations and decision support structures and aim to render our leadership in digital transformation permanent in the coming period by focusing on areas such as cloud computing, AI and the Internet of Things (IoT).

In 2024, we further deepened our focus on lean manufacturing and innovation in our manufacturing activities. Operating with a total production capacity of 155,000 tonnes at our facilities in Türkiye and Spain, we have reduced losses and simplified processes with 5S and TPM applications. Thanks to our automation investments, we are able to simultaneously monitor quality and environmental impacts in the production process and carry out more agile decisions using instant data.

By strengthening our production infrastructure with our investment in the high-capacity furnace and the revamping of our combustion system in our ceramics department, we achieved 5% energy savings in the enamel and ceramic melting processes compared to 2022. The modernisation of the two furnaces in pigment production and optimization activities paved the way for 33% in natural gas savings. All of these improvements are the result of our production approach that reduces environmental impacts and increases resource efficiency.

We maintained our high standards in quality, occupational health and safety, environmental and energy management systems throughout the year. We successfully completed the ISO 9001, ISO 14001, ISO 45001 certification audits and ISO 50001 surveillance audits. As always, occupational health and safety remained a key priority in all of our processes.

As we move forward into 2025, we have further clarified our strategic goals. We aim to complete our carbon footprint verification processes, publish our sustainability report and increase our performance in global rating systems such as CDP and Ecovadis. We closely follow developments within the scope of the European Union's Carbon Border Adjustment Mechanism (CBAM) and reshape our export strategies accordingly. By expanding our collaboration with universities, we develop projects on carbon-free industrial solutions and deliver environmental training to all of our employees.

At the same time, we aim to integrate our lean production culture into our corporate memory, spread it throughout the organization and increase employee participation. With the "Kaizen Day" events we will hold every quarter, we aim to provide a Kaizen return of over USD 2 million in 2025. We will continue to move towards a more sustainable, more agile and more competitive future with new products, investing in increasing capacity needs and production technologies that take environmental impacts into account.

As Akcoat, we view employee satisfaction and well-being not only as a goal but as the cornerstone of our business strategy. Throughout 2024, we have achieved significant progress by transforming this approach into concrete projects. By extending our "The Future Project" internship program to 8 months, we started a longer-term development process with young talented individuals, while creating a stronger internal communication basis by reaching 194 employees with the "Self in Essence, Unity in Work" communication culture program. We have succeeded in implementing most of the actions determined by the "Good Luck Akcoat" project, which we put in place following the Great Place to Work survey. With the Social Activity Club at Work, we brought our employees together in social activities, contributing to their work-life balance.

We provided professional coaching support to our leaders and improved pay and benefit systems. While improving organizational efficiency with the "Design the Future: Our Focus is People" project, we reinforced the culture of appreciation with applications such as the Manager's Appreciation Basket and the Thank You Card.

We will continue our people-oriented approach in 2025 with priority being placed on the acquisition of young talent, leader development, flexible working models and practices that encourage diversity. By placing "People First", we will continue to strengthen an organizational structure that learns together, develops and aims for sustainable success.

In 2025, we aim to further protect employee health and ensure operational continuity by focusing on crisis management and process-based risk management.

In the area of environmental sustainability, we achieved an 18% reduction in waste management with new procedures introduced to keep hazardous waste under control. In addition, three new Kaizen projects were initiated in the name of operational efficiency with a 59% improvement in processes achieved as a result of these projects. With our waste management and energy efficiency projects, we aim to reduce our carbon footprint by 10% by the end of 2025 and increase the use of renewable energy. Through these comprehensive efforts, we will continue to create a safer, sustainable and efficient working environment and fully realize our social and environmental responsibilities.

At Akcoat, we work with an understanding that puts customer satisfaction at the heart of what we do, sees employees as the basic element of the value chain, respects the environment and pioneers technology. In 2025, our goal is to continue to create added value, transform the future and notch up more sustainable success stories. With a focus on innovation and active marketing, our success in being a dynamic global solution partner that closely follows trends, which is modern and open to change, and which can respond to the needs of our stakeholders rapidly and uniquely will continue to develop in the coming years.

DowAksa İleri Kompozit Malzemeler Sanayi Ltd. Şti.

"2024 was an important and decisive year for DowAksa, characterised by strong financial results and meaningful progress in sustainability and social responsibility."

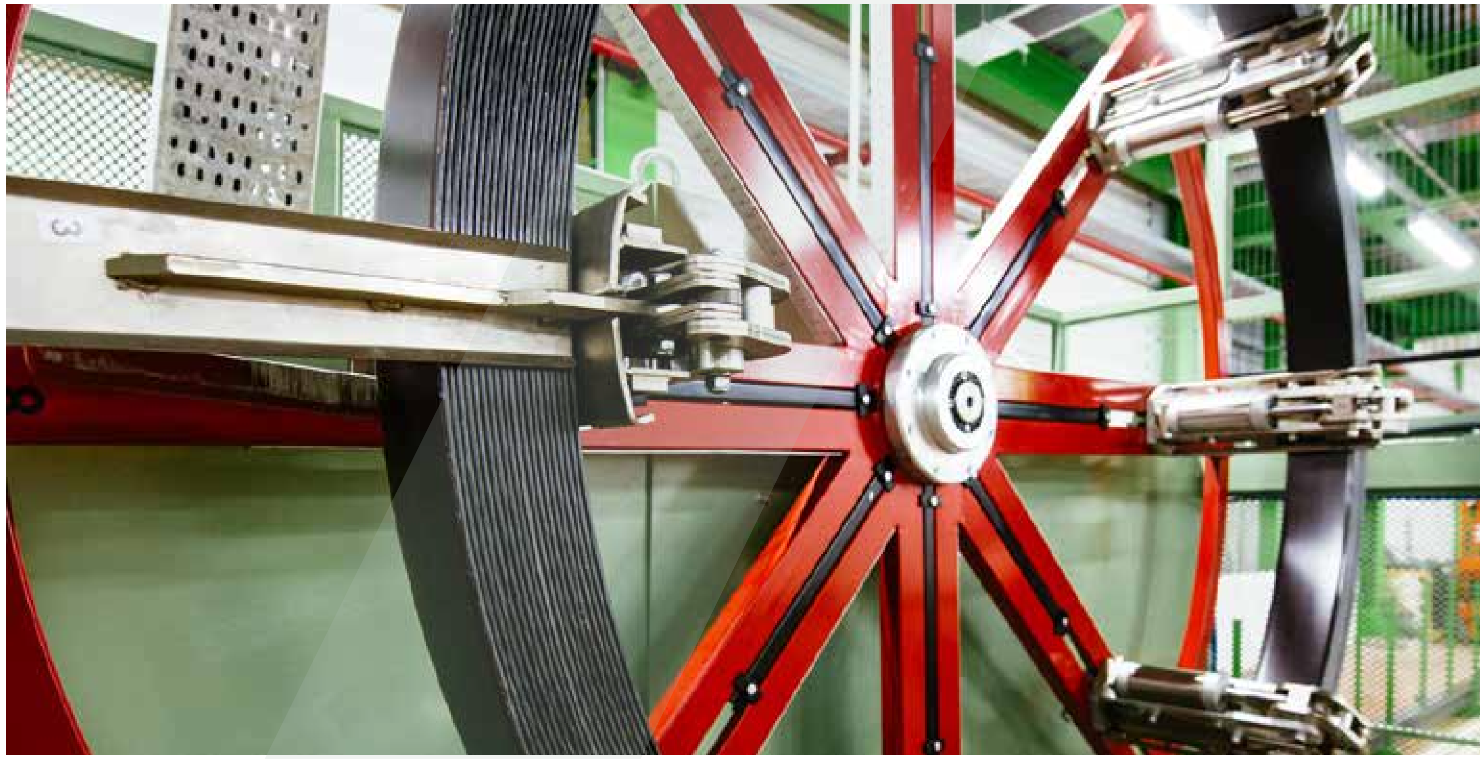
Massimo Rebolini
Chief Executive Officer

In line with our long-term strategy, we were focused on strengthening our market position, increasing our business volume and transforming our organization into a leaner, more agile structure. At the same time, we have continued to add value to all of our stakeholders with our investments in projects that provide environmental and social benefits.

The year 2024 was a challenging period dominated by uncertainties and changing market dynamics for the entire business world. In this environment, DowAksa was able to maintain its strong financial performance despite the recession in the carbon fibre market and the high inflation prevailing in Türkiye. This resilience has once again demonstrated the strength of our business model, our operational discipline and our approach focused on long-term value creation. One of the clearest indicators of this is our achievement in rising 53 places in the "Türkiye's Top 500 Industrial Enterprises" survey carried out by the Istanbul Chamber of Industry, when compared to the previous year.

We continued to support our sustainability approach, which we have built on this strong financial foundation, with solid and high-impact projects. In this vein, we became a member of the Sustainable Composite Materials and Manufacturing Innovation Centre (SCMM), which was established by the Luxembourg Institute of Science and Technology (LIST) and aims to develop zero-emission mobility solutions. With this collaboration, we aim to achieve DowAksa's sustainability goals by bringing pre-consumer waste into the circular economy and reducing its carbon footprint.

In line with our circular economy approach, we have prepared our new product portfolio consisting of recycled carbon fibre composite materials to be introduced to the market. While this portfolio marks an important step in terms of our sustainable production goals, it also serves as a valuable step that strengthens our environmental responsibility.



This approach is not limited to recycling; it is also applied in the field of repurposing. We organized the "Sustainable Ideas Competition" in order to develop creative ideas that will give carbon fibre materials a second life. This competition, where entrants are evaluated under the criteria of their contribution to the circular economy, environmental impact and applicability, was open to participation of undergraduates, graduate students and professionals, encouraging the emergence of fresh ideas for a more sustainable future.

Our contributions to Türkiye's high-tech and value-added production targets were honoured with a plaque of appreciation at the ceremony held at the HIT-30 High Technology Investment Program promotion event with the participation of President Recep Tayyip Erdoğan. This valuable award has been a concrete indicator of the responsibility we have undertaken in our country's development journey.

We have also entered meaningful collaborations in the field of social responsibility. DowAksa, Akkim and Aksa Akrilik, the three largest chemical companies that have opened Yalova up to the world, joined forces under the umbrella of the 'Chemistry of Equality' project for gender equality. The first step in our project was the 'Lively Meetings' program implemented in Yalova in cooperation with AÇEV. Under this program, we aim to empower women and increase girls' access to education.

In addition to these projects, we were delighted to receive the title of "Baby-Friendly Supportive Organization" within the scope of the "Promotion of Breast Milk and Baby-Friendly Health Institutions Program" carried out by the Ministry of Health. This title is an important reflection of the importance we attach to the health of our employees and the community.

With a clear strategy, a solid business model, strong financial performance and a dynamic, committed team, DowAksa is ready to seize new opportunities, contribute to the transformation of the sector and maintain its sustainable, responsible growth in a stable manner in the coming period.

Epsilon Kompozit Teknoloji ve Savunma Sanayi AŞ

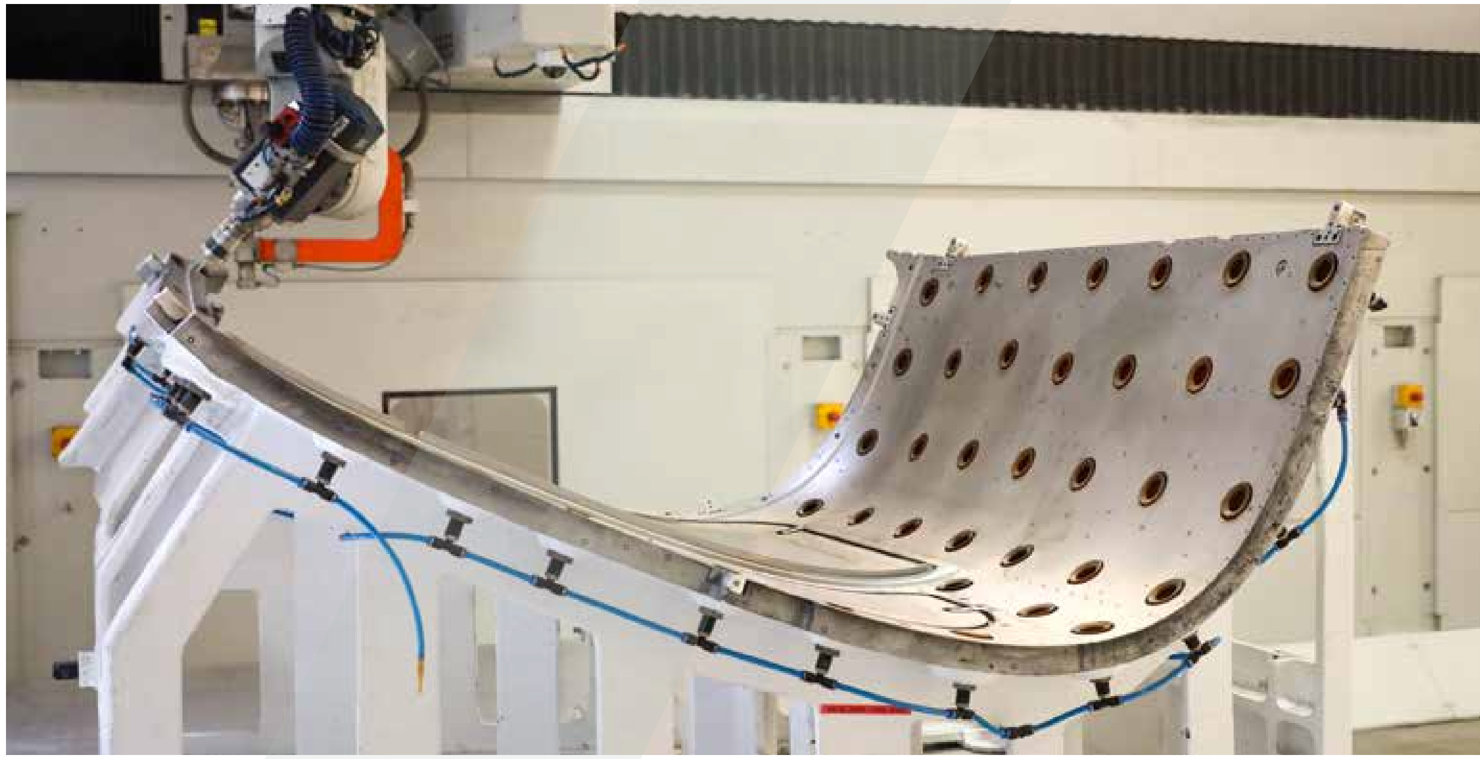
Abdullah Ocak
General Manager

> **"Epsilon is well on its way to becoming a company able to carry out composite R&D within the scope of its strategic growth plan targets, growing principally in the field of aviation composites. In 2024, it signed business contracts to manufacture the composite parts for the fin of the world's best-selling passenger aircraft, the A320/321 and the underbody fairing of the Airbus H125, one of the best-selling lightweight, single-engine helicopter models."**

Founded in 1999 under the name Epsilon Havacılık Uzay ve Savunma Sanayi Ltd. Şti., the company initially continued its activities by providing wet layup part manufacturing and assembly services to domestic defence firms. With the completion of the "Autoclave Moulding" investment in 2011, the production of prepreg composite parts got underway, while in the same year, Epsilon Kompozit Teknoloji ve Savunma Sanayi AŞ ("Epsilon") was established within the scope of advanced technology composite investments under the new company and facility established in accordance with international norms in order to meet the commitments of the KAI-Korea company to manufacture, qualify and certify composite and metal bond parts for the KUH helicopter, and thus the first overseas contract was signed.

Epsilon deploys its capabilities and assets in line with the exacting standards of the international aviation industry. In recognition of its complex geometry, high visual quality and structural excellence, it signed another important international contract with its ability to sustainably meet the delivery expectations with fast, timely and desired quality standards, and between 2015 and 2017, the company become a subcontractor for Airbus and Bell Flight (Bell Helicopter).

Epsilon's main areas of expertise and activity are composite mold design, tool design, CNC machining capabilities, metal bonding, sub-assembly, assembly surface preparation and painting processes. In addition to turnkey part manufacturing projects, the company also plans to carry out investments in test laboratories and non-destructive testing equipment which can be offered to the market independently. A supply chain infrastructure has been established which can monitor product management at all stages. Thanks to its AS9100 and NADCAP accreditations, the company has gained the title of being the first and only private sector composite company able to receive work directly from abroad, outside the main companies in the defence industry, and maintains its relations with leading companies in this field at a strategic partnership level.



Epsilon continues to provide production solutions for air, land and sea platforms, especially in the production of parts for large-scale radomes, pedestals, dish antennae, reflectors, satellite dish antennae and UAV systems to leading organisations in the domestic defence industry. Epsilon, which joined Akkök Holding in 2021, aims to become a supplier of Tier 2 components and then Tier 1 components to global aviation companies within the next 10 years with this synergy. In order to be an integrator in aviation structures as well as manufacturing composite technologies, the company has started to establish infrastructure and train qualified personnel to carry out metal forming, machining, heat treatment, chemical surface preparation and assembly processes.

In this vein, our company, which attaches importance to profitability, value creation and diversity in production by managing organic and inorganic growth correctly, continues towards its goal of becoming a subcontractor for global aircraft manufacturers by increasing its competencies in the field of composites and taking advantage of opportunities in the field of metal processing. Accordingly, a 5+5 year contract was signed with Airbus Aerostructure in 2024 for the production of composite parts for the fins of A320/321 aircraft. The company has succeeded in being one of the select few companies in Türkiye to sign a direct contract with Airbus, with the contract signed as a result of the positive results of the quality and engineering examinations carried out within the scope of the "Lower Fairing" work package of the Airbus H125 Helicopter.

In line with its future goals, our company combines the expertise of Akkök Group companies in value-added projects and participates in development projects with TÜBİTAK, in particular the manufacture of hydrogen tanks. Furthermore, by utilizing prepreg materials produced in-house, Akkök is expanding its existing facilities to meet its final product design and production goals while maintaining its core business in composites. With its new investments and process acquisitions, the company is progressing towards becoming a company capable of conducting composite R&D within a larger structure, focusing on aerospace composites.

REAL ESTATE

- Akiş Gayrimenkul Yatırım Ortaklığı AŞ
- Akmerkez Gayrimenkul Yatırım Ortaklığı AŞ

Akiş Gayrimenkul Yatırım Ortaklığı AŞ

"We signed a revenue sharing contract to develop a mixed project with a focus on housing on an area of approximately 100,000 m² in Sahrayıcedit, in Istanbul's Kadıköy district."

Levent Çanakçılı
Member of the Board of Directors and General Manager

Established within the structure of Akkök Group in 2005, Akiş REIT aims to apply the experience and expertise it has accumulated in the real estate sector, which Akkök Group positioned among their strategic business areas, in various projects. Akiş REIT assumed the title of Real Estate Investment Trust on May 18, 2012 upon application to the Capital Markets Board. Subsequently Akiş REIT was listed on Borsa Istanbul on January 9, 2013. Akiş REIT aims to carry out projects that standout for their quality in the real estate sector, with the motto "Happiness lies at the heart of everything we do". Following its significant achievement with Akbatı Shopping Mall opened in 2011, Akiş REIT signed off on another major project upon the completion of Akasya in 2014, in which it holds shares. In 2016, Akiş REIT started the merger process with SAF REIT, and as a result, consolidated its position in the real estate sector. The value that Akbatı and Akasya Shopping Centers add to the real estate sector is also appreciated with the awards they receive every year in the country and abroad. With their outstanding success, Akbatı has received a total of 95 awards in the last ten years, while Akasya has received 105 awards.

With its portfolio generating predominantly retail-focused rental income, Akiş REIT has created innovative and unique living spaces in the most prestigious, vibrant locations, with its investments in street retailing on Bağdat Avenue, featuring original designs and unique architectural features. One operational real estate in this area is the Erenköy Apartment, opened in 2021 and leased to the Boyner brand.

Distinguished from its competitors in the real estate sector with its qualified, high rental portfolio structure and sense of corporate identity, Akiş REIT succeeded in taking its position as one of the largest Real Estate Investment Trusts in Türkiye in terms of equity size, one step further with its strengthened corporate structure in 2024.

We pressed ahead with our work to set ourselves apart in 2024 by applying our visionary perspective and global trends in our shopping malls, which enjoyed high occupancy rates. Although visitor numbers have not yet reached pre-pandemic levels, the steady growth in shopping volume throughout the year and the breaking of records in terms of turnover in our stores represents a significant success. In this process, our shopping malls continued to stand out from their competitors with their revamped store mixes.

Meanwhile, at the end of 2024, our company signed a revenue sharing contract to develop a mixed project with a focus on housing on an area of approximately 100,000 m² in Sahrayıcedit, in Istanbul's Kadıköy district. Construction work in the project is planned to get underway in 2025 after the completion of the zoning applications and the receipt of the license.

In 2024, Akiş REIT continued its activities to comply with the applicable legal regulations and to strengthen its corporate governance structure. The Corporate Governance Rating was assigned in November, with the Corporate Governance Rating of our company increasing to 96.46 in 2024.

Akiş REIT has exhibited its difference in good governance and transparency once more with the highest Corporate Governance Rating of companies operating in the real estate sector in Türkiye. Akiş REIT considers sustainability an indispensable part of its corporate culture and continues to enhance its efforts towards being a "sustainable and good brand."

Meanwhile, we continued our work unabated, adhering to the culture of success and institutionalism adopted by Akkök Holding. As we published our fifth Sustainability Report in 2024, we became the leader in the global ranking in our sector with one of the highest scores in the Borsa Istanbul Sustainability Index. In the closing days of the year, we were delighted to be included in the 'World's Best Companies in Sustainable Growth 2025' list published by the world-renowned TIME magazine, in cooperation with the leading statistical organization, Statista. We were one of just three Turkish companies to be included in this globally prestigious list and the only company from Türkiye in the real estate sector to achieve this success.

Akiş REIT aims to contribute to the country's economy in 2025 and maintain its leading position in the sector by rapidly adapting to changing consumer behaviour and the expectations of the new world order.

Akmerkez Gayrimenkul Yatırım Ortaklığı AŞ

Hakan Tümkaya
General Manager

"The array of projects we have implemented with the aim of creating value for the society represent the crowning achievement of our 30 years of knowledge and experience. We have combined our corporate culture, which adheres to ethical principles, with our superior service approach and achieved a level of success that will inspire the sector in 2024. With our strong performance in corporate governance, our Corporate Governance Rating increased from 9.48 to 9.51, and we also received the accolade of being the "Highest dividend paying REIT" award in recognition of our dividend performance. I believe this success serve as an exemplary roadmap for our industry."

In 2024, we maintained our efforts to benefit our customers, stakeholders and business partners. Akmerkez left behind a year which reflected its efficiency-oriented approach to the services which we successfully implemented. Despite being a year in which we witnessed the challenging effects of geopolitical developments as well as economic conditions, with various effects on a global and local scale, 2024 was a year of growth for us.

This year, the diversification of the categories of domestic brands, the entry of foreign brands and demand for larger stores drove occupancy rate in shopping malls towards 100%. According to the Shopping Mall Index data created jointly by the Association of Shopping Centers and Investors (AYD) and Akademetre Research, there was an increase of 4% in the number of visits index in November 2024 compared to October 2024. Akmerkez is delighted to have shared in the success of having ensured 2024 was a productive year both for our visitors and our tenants, recording high occupancy rates and a steady increase in our rental income.

Like every year, we combined the shopping experience with pleasure and comfort in 2024. We hosted many events, including entertainment, sports, culture and arts, as well as special and privileged events. We left children with unforgettable memories with the "Semester Workshops with the little ones". Triangle Terrace, the escape point of the city, continued to host guests with its open-air cinema in 2024 and played host to the excitement of Euro 2024. The special exhibition to mark the 101st anniversary of our Republic on October 29 attracted a great deal of attention from our visitors and was one of the projects were proudest of. Our renewed New Year decorations added festive colour to Akmerkez's unique atmosphere this year. Where innovations in our brand mix continue to grow, we became host of the 8th outlet in Türkiye of the House of SuperStep, the youngest member of the Eren Retail group. We continue to offer our guests an innovative and fun-packed experience with our strong, constantly renewing brand mix and store diversity.

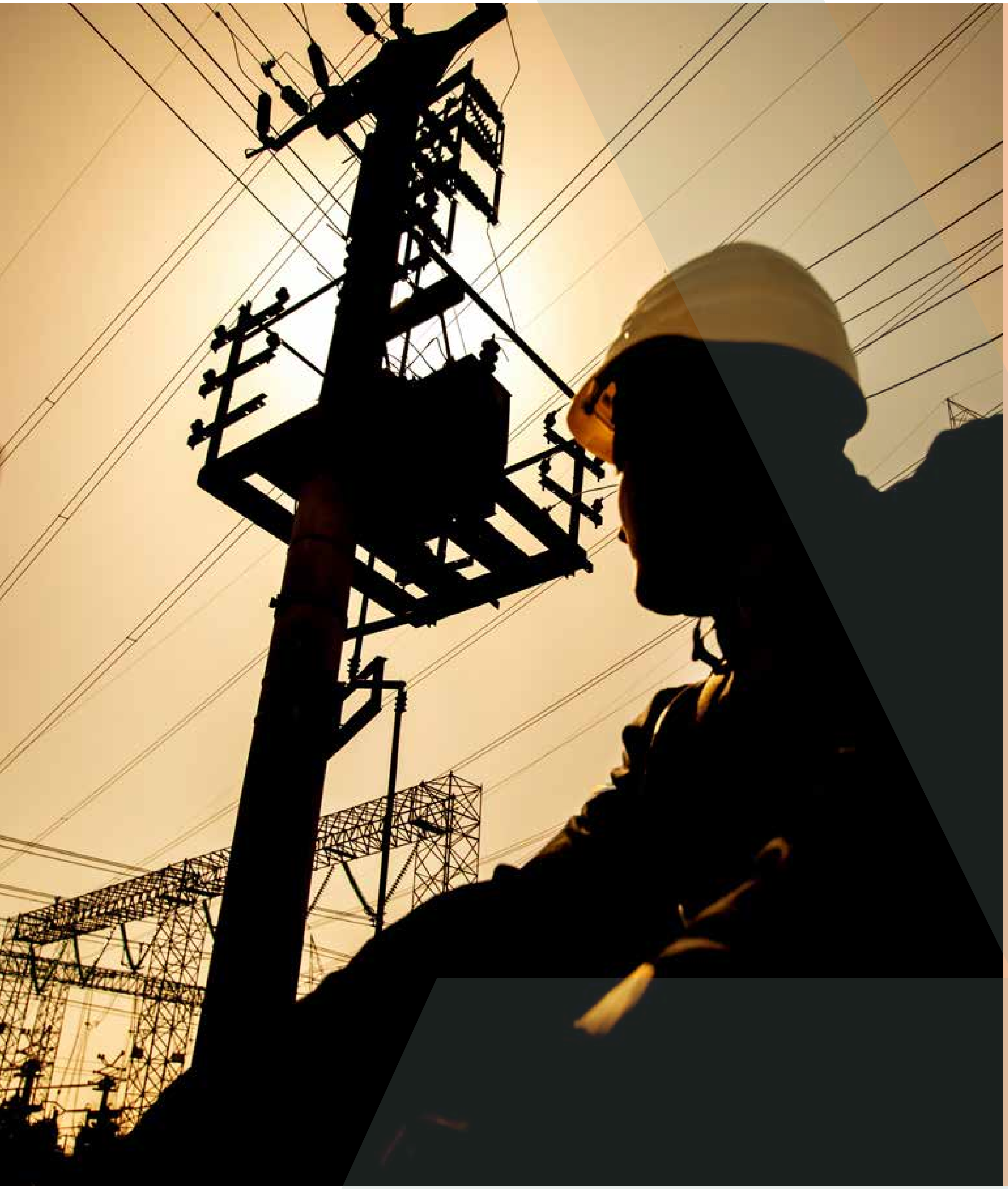
At Akmerkez, we aim to offer an egalitarian, contemporary, comfortable environment to everyone we come into contact with, including our employees, visitors, stakeholders and business partners. In this vein, we strive to ensure that our business processes are in line with sustainability principles.

With the Agriculture on the Terrace Project, one of our most important projects in the field of sustainability, we brought many of our volunteers together to create pesticide-free and natural agriculture in the middle of the city this year. In the field of social sustainability, we derive the greatest strength from our customer-oriented digital inclusion efforts. Through the Akmerkez Mobile App, we have been able to offer special opportunities to visitors, while also providing amenities such as access for wheelchairs, strollers and pet strollers within the scope of digital equality.

The array of projects we have implemented with the aim of creating value for the society represent the crowning achievement of our 30 years of knowledge and experience. We have combined our corporate culture, which adheres to ethical principles, with our superior service approach and achieved a level of success that will inspire the sector in 2024. With our strong performance in corporate governance, our Corporate Governance Rating increased from 9.48 to 9.51, and we also received the accolade of being the "Highest dividend paying REIT" award in recognition of our dividend performance. I believe this success serve as an exemplary roadmap for our industry.

In 2025, we will continue to not only be the meeting point for Istanbul, but also the common point of innovative ideas, sustainable life, and investment in the future.

We would like to thank our esteemed stakeholders and all of our visitors who have shared the excitement of our successful journey.



ENERGY

- Akenerji Elektrik Üretim AŞ
- SEDAŞ - Sakarya Elektrik Dağıtım AŞ
- Sepaş Enerji - Sakarya Elektrik Perakende Satış AŞ

Akenerji Elektrik Üretim AŞ

"We achieved operational efficiency providing uninterrupted energy supply also in 2024, by using our production portfolio, which we diversified with renewable energy and natural gas, in the most efficient way. Accordingly, we have succeeded in maintaining a strong balance sheet and cash flow."

Serhan Gençer
Member of the Board of Directors and General Manager

We have left behind a year marked by significant developments in the energy markets both in Türkiye and the world. The energy sector has entered a period shaped by critical issues such as sustainability, digitalization and the energy transition. Although the new administration in the USA, the world's largest economy, has announced that it will invest more in fossil fuels, there is a growing trend towards decarbonization of energy on a global scale and in our country. The future of the energy sector is expected to be shaped by low emitting sources of energy. At Akenerji, we closely follow the developments in the sector and shape our growth strategy accordingly.

As part of our risk management strategy, we have a diversified production portfolio in place both in terms of resource variety as well as geographical location. In addition to our natural gas power plant, which is among the largest in Türkiye, we provide uninterrupted energy to our country with a total of 9 power plants that generate electricity from renewable sources of energy, including hydroelectric, wind, solar energy. In addition to our flexible production portfolio which can quickly adapt to changes in climate and market conditions, we are both strengthening our cash flow and securing an inflow of foreign currency to the country's economy by trading energy in the European market, all supported by our 36 years of experience in the sector and our qualified workforce.

We achieved operational efficiency providing uninterrupted energy supply also in 2024, by using our production portfolio, which we diversified with renewable energy and natural gas, in the most efficient way. Accordingly, we have succeeded in maintaining a strong balance sheet and cash flow.

The increase in the ceiling price in the electricity market, which has been applied for some considerable time, in July and the increase in electricity demand in July, August and September as

summer temperatures exceeded their seasonal norm had a positive impact on our cash flow, and we rounded off the year with turnover of TL 25 billion and EBITDA of TL 1.9 billion.

"Sustainability" lies at the heart of business processes. Operasyonel verimliliğimizi artırmak ve maliyetleri kontrol We are constantly undertaking improvements to increase our operational efficiency and keep costs under control. We aim to maximize efficiency by prioritizing technological innovation and digitalization both in our energy production facilities and our commercial and financial operations. With our smart systems, IoT devices and sensors, we are constantly monitoring the performance of our power plants and are able to predict maintenance requirements in advance.

We are reducing our production costs and downtime by providing in-depth insight and a real-time view using key performance indicator-based data to improve the performance of our plants.

Within the scope of environmental sustainability, we prioritize reducing our carbon footprint and investing in renewable energy projects. In accordance with the legislation published on hybrid facilities, we have focused on feasibility studies for solar energy projects which we are able to install in our existing power plant areas, such as the Erzin Natural Gas Combined Cycle Power Plant and the Burç Bendi Hydroelectric Power Plant. We carry out the necessary technical and legislative activities for the installation of a solar power plant that will provide auxiliary capacity in the appropriate areas of our power plants. We have recently completed the installation of the 8.1 MW hybrid solar capacity which we purchased for the Konya 5ER Biomass Power Plant, which we operate under the capacity leasing business model. Admission procedures are ongoing. We plan to commission this hybrid plant in 2025.

In addition, we obtained a permit for an additional 6.2 MW of capacity for our 28.2 MW Ayyıldız Wind Farm in Bandırma in the Balıkesir area, with licensing for a total of 34.4 MW of capacity. Our feasibility studies for the investment continue.

In addition, preparatory work continues on our Kemah Hydroelectric Power Plant project, a priority for our company. Once completed, this project, which is located in Erzincan and is one of the most important and largest dam-type hydroelectric power plants in Türkiye with a pumped storage capability, is expected to provide a significant contribution to Türkiye's renewable electricity generation capacity and support the transition to a low-carbon economy by generating an average of 560 GWh of electricity per year with an installed capacity of 198 MW.

In 2023, 30% of the world's electricity was generated from renewable resources, a rate which is expected to reach 46% by 2030. A clean energy economy is emerging in the world, led by solar energy, wind energy and electric vehicles. The share of renewable resources such as wind, solar and hydroelectric in Akenerji's installed capacity of 1,224 MW already exceeds 26%, with 320 MW of renewables-based capacity. Our goal is to increase this share even further.

All of our renewable energy plants, where the emission reduction certification work has been successfully carried out, hold carbon emission reduction certificates such as VCS (Verified Carbon Standard), Gold Standard and Social Carbon.

In addition, we also achieved progress in the Environmental, Social and Governance (ESG) area during 2024 and achieved corporate successes. Akenerji's ESG level was certified with a B (good) rating in the evaluation conducted through the Synesgy platform. For the 2023 ESG performance, the first evaluations were carried out by Refinitiv in the Borsa Istanbul Sustainability Index, and our ESG Combined Score was raised from B+ to A- at the end of December 2024. We also achieved a CDP Climate Change score rating of "B" and a Water Security score of "A-". Our corporate governance compliance rating, published by the Capital Markets Board (CMB), was 9.57.

In the social field, our sustainability strategies have prioritised areas such as supporting women's employment and further enhancing the employee experience. We have implemented various projects to increase women's employment both at Akenerji and in our sector. The "Women's Energy" project, which we carry out together with other energy companies operating under the umbrella of Akkök Holding, aims to transform the male-dominated structure in our sector in the medium and long term by employing more women both in the office and in the field.

We believe and trust in the dynamism of youth. Under the motto of "Make a Difference with Your Energy", we offer young people a working environment that will allow them to stand out. In order to enrich our human resources with young talent, we have two separate programs entitled "Make a Difference with Your Future" and the "New Graduate Recruitment Program", which we have been constantly developing and restructuring since 2020. One of the areas to attract the most attention from Generation Z is entrepreneurship. Our "Generator" in-house enterprise program helps these young people develop new business ideas and become entrepreneurs.

At Akenerji, we aim for sustainable and balanced growth in the coming period. With all our strength and experience, we will continue to play a leading role in the Turkish energy sector and generate energy to lighten up our lives.

SEDAŞ - Sakarya Elektrik Dağıtım AŞ

"In order to achieve sustainable success in the energy sector, we are moving forward with a vision that is strengthened by technology, respects nature and values people. We shape the future together and work towards building a stronger and more efficient world at every step."

Dr. Necmi Odyakmaz
Chief Executive Officer

Sakarya Elektrik Dağıtım AŞ, one of the leading companies of Akkök Holding in Türkiye, is responsible for the distribution of electrical energy in the provinces of Sakarya, Kocaeli, Bolu and Düzce in the Eastern Marmara region.

As SEDAS, we continued to add value to our region and our stakeholders throughout 2024 with our expertise, investments and ever-evolving service approach in the field of energy distribution. In our service area covering the provinces of Sakarya, Kocaeli, Bolu and Düzce, extending to 20,000 km^2, we have implemented comprehensive investment plans to provide an uninterrupted supply of electricity to 3.9 million people.

With our new shareholder structure, we have rounded off another significant year for our company. We resolutely press ahead on our journey of transformation in the energy sector with our structure, which was further strengthened with the participation of Torunlar Enerji Sanayi ve Ticaret AŞ ve Başkent Doğalgaz Dağıtım Gayrimenkul Yatırım Ortaklığı AŞ in December 2023. We have achieved tremendous success in this process while further strengthening our goals for the future. While ramping up our investments with a focus on energy supply security, sustainability and digitalization, we continue to set ourselves apart in our sector with our strong infrastructure and customer-oriented service approach.

With this approach, we have invested more than TL 3.5 billion in just one year in 2024 and focused on continuous development and innovation.

As SEDAŞ, we have attached importance to network and technological investments in order to modernize our energy infrastructure and provide more efficient and faster solutions to our customers. We have increased the efficiency of our survey and application processes with satellite-connected devices while helping our field teams work more effectively under all conditions with the 222 new vehicles that have strengthened our vehicle fleet.

Global climate change continues to threaten our country as well as the whole world with increasing environmental awareness becoming more of a necessity in 2024. The Ministry of Environment, Urbanization and Climate Change announced 2024 as the hottest year in our country during the last 53 years. The unseasonably hot temperatures increased demand for electricity in SEDAŞ's operating region, taking a toll on electricity distribution lines. Despite the network improvement efforts, the average duration of outages increased by 4% with the average number of power outages increasing by 1% compared to the previous year.

Thanks to our customer satisfaction-oriented service approach, we outperformed the average in Türkiye by 7.41% in terms of customer satisfaction in the success ranking compiled by TEDAŞ. At the same time, we maintained our position as one of the most successful companies in the sector by keeping the loss-leakage ratio down at 5.73%.

As SEDAS, we are well aware of the role of human resources in the development of the sector, and we are working to bring the talent of the future to the sector. To this end, our Stargate Talent Program, which we held for the fourth time, provides candidate engineers with industry experience. The scope of the program was expanded this year with the inclusion of Industrial Engineers into the program as well as Electrical/Electronics Engineers, with successful young engineers offered the opportunity to work in our company.

In addition, we continue to offer scholarships and employment opportunities to 8th and 12th grade girl students with the "Women's Energy" movement, which aims to increase women's employment in the field of energy, by acquainting them more closely with the energy sector.

As a result of all these achievements, our company continued to rank as one of "Türkiye's Top 500 Private Companies" by Capital magazine in 2024.

Our new strengthened shareholder structure provides significant contributions to our company's sustainable growth and leadership in the sector. Throughout 2025, we will continue to improve our service quality with our customer-oriented approach, technological investments and continuous development approach. I would like to thank all our stakeholders, business partners and valuable employees, who are our greatest source of strength, for the support they have provided us in this journey of success.

Sepaş Enerji - Sakarya Elektrik Perakende Satış AŞ

H. Çağrı Poyraz
General Manager

"In 2024, we continued to build our customer base with our strong collaborations. Going beyond energy supply, we have improved our service quality at all touchpoints. One of the milestones in our transformation journey has been a significant expansion in our number of digital users. In this process, we have also strengthened our service quality by further expanding our already high satisfaction rates. We will continue our work on sustainability, quality and building trust with the same determination in the coming period."

In line with Sepaş Energy's energy procurement strategy in 2024, the company stepped up its collaborations with various different production and wholesale companies in the market, signing a number of new contracts to ensure resource diversity and supply stability. With energy sales exceeding 14,000 GWh during the year, Sepaş Energy met more than 5% of the total electricity consumption billed in Türkiye. As of the end of December 2024, it was supplying electricity to more than 2 million consumers.

Sepaş Energy continued its customer experience and digitalization efforts in 2024 with marketing activities oriented towards customer relationship management, enabling segment-based communication, and customer behaviour analysis carried out throughout the year. Around 1.3 million people were reached through digital channels during the year, with 60% of all customers using digital channels in 2024.

The Sepaş Cebinde mobile app, one of the most important digital channels, reached 55,000 downloads, being used more than 600,000 times in 2024. The consumption details page was reviewed 105,000 times while more than 8,000 invoice transactions were carried out. The Sepaş Enerji website was viewed approximately 5.5 million times in 2024.

In 2024, more than 35,000 consumers opted to have their invoices sent to them only by e-mail, taking the number of consumers opting to receive their invoices electronically rather than in printed form reaching more than 124,000 by the end of the year.

The accessibility rate in the call center was measured at 100% with approximately 270,000 calls handled during the year, and an call center satisfaction rate of over 95%.

Transaction-based instant satisfaction surveys were sent to around 325,000 customers to assess their satisfaction of their last transaction as part of the instant customer satisfaction survey conducted in 2024, with an overall satisfaction score of 83.58% obtained.

The in-house publication, bültENERJI, which includes news about the energy sector and is published on a monthly basis, was brought to its readers through digital channels.

Sponsorship support continued to be provided to the national canoeing team.

The necessary applications for the Sepaş Energy Headquarters Building were commissioned in 2024 in line with the Zero Waste Regulation, which aims to protect the environment, human health and resources, and the basic level Zero Waste Certificate was obtained.

As part of the management systems activities, the 1st Surveillance Audit was successfully completed in September 2024 without minor or major findings. The company carried out the transition to the 2022 version of the ISO/IEC ISO 27001:2022 Information Security Management System Standard, while extending the validity of the ISO 9001:2015 Quality Management System, ISO/IEC 27001:2022 Information Security Management System and ISO 10002:2018 Customer Satisfaction Management System certificates, which are obligations for Sepaş Energy pursuant to subparagraph (ğ) of paragraph 4 of Article 34 of the Energy Market License Regulation. System conformity is evaluated by the Accredited Certification Body every year with Surveillance Audits.

SERVICES

- Akmerkez Lokantacılık Gıda Sanayii ve Ticaret AŞ
- Akasya Çocuk Dünyası AŞ

paper moon

Akmerkez Lokantacılık Gıda Sanayii ve Ticaret AŞ

Pelin Bingül
General Manager

"Paper Moon Istanbul, the most prestigious Italian restaurant with high service standards in Istanbul, continues to serve as a city classic."

Paper Moon; a city classic that unites Italian flavors with comfort. Following Milano and New York, Paper Moon, a world-renowned Italian restaurant was opened in Istanbul Akmerkez in 1996.

Since then it has been owned and managed by Akmerkez Lokantacılık. With its chic interior design, tranquil ambiance, meticulous service and savory cuisine, Paper Moon has become an Istanbul classic in a very short time.

Thanks to the diligent management and service quality of Akmerkez Lokantacılık, Paper Moon is today one of Istanbul's most select and prestigious names for fine dining. The restaurant is run by Italian chef Giuseppe Pressani.

Paper Moon is expanding its menu day by day with its distinguished atmosphere and unique tastes. The interior design which is a reflection of luxury and simplicity, have been deemed worthy of prestigious awards during the years it serves. The restaurant received the "Interior Design" award by Restaurants and Institutions-New York in 1997 and the "Interior Lighting" award given by Lumens-New York in 1998.

Paper Moon Istanbul which soon became one of the prestigious brands of the Istanbul food and beverage industry and turned into a city classic, was awarded the "Diploma of Good Cuisine" prize in September 2019 issued by the "Accadimia Italiana Della Cucina" established for the development of cultural and trade relations in the areas of gastro-economy and gastro-tourism between Italy and Türkiye. The company maintained its success in 2024 with inclusion in the list of 4-pearl restaurants in the "Pearly Gastronomy Guide" prepared with Türkiye's first and only original gastronomy rating system.

Paper Moon Istanbul which soon became one of the prestigious brands of the Istanbul food and beverage industry and turned into a city classic, was awarded the "Diploma of Good Cuisine" prize in September 2019 issued by the "Accadimia Italiana Della Cucina" established for the development of cultural and trade relations in the areas of gastro-economy and gastro-tourism between Italy and Türkiye. In 2022, it continued its success by receiving 4 pearls in the 2022 "Gastronomy Guide with Pearls" prepared with Türkiye's first and only unique gastronomy rating system.

KidZania İstanbul

Akasya Çocuk Dünyası AŞ

Ebru Timur
Member of the Board of Directors and CEO

"2024 was a special and proud year for us in every way. As we celebrate our 10th year of activity together with Türkiye's leading brands and our purpose partners, we have further enriched the realistic city experience we offer by focusing on meeting the expectations of families with children. As a result of these efforts, we attracted 20% more visitors, welcoming around 2.5 million guests over the last 10 years."

KidZania Istanbul, which has been providing fun-packed learning services to families with children between the ages of 1 and 14 since the day it was founded, celebrated its 10th year of activity in 2024. KidZania Istanbul, established in Akasya in 2014 as the 16th city of the world's KidZania Hotels, has welcomed more than 2.5 million visitors so far.

KidZania, the Land of Children, was founded in 1999 under the banner of "Prepare for a better world" with the aim of having a world where all children can learn with fun. It operates in Türkiye under the license of Akasya Çocuk Dünyası AŞ.

At KidZania, which is the founder of the concept of "edutainment", referring to learning while having fun, children have the opportunity to develop their talents while acquiring new skills and values with the role-playing learning method. KidZania, which operates in 17 countries and 26 cities, completed its 25th year in 2024.

KidZania Istanbul offers its visitors a real city experience with its bank, hospital, supermarket, laboratory, theatre, university, fire station, hotel, earthquake simulation centre, stadium, streets, factories and town square. In 67 different fields of activity and more than 120 roles, children can both gain knowledge and develop their social, physical and cognitive competencies while experiencing professions in life. The experience develops a wide array of skills and values from financial literacy and teamwork to communication and creative and analytical thinking, cooperation, taking responsibility, cooperation and self-confidence. We at KidZania are aware that children up to the age of 4 exhibit similar behaviour wherever they are in the world, and that children are inspired by what they know and see. When they come to our city for the first time, they first turn to the activities they are familiar with and then proclaim, "I can be a scientist, I can be an artist, I can be a volleyball player." At the end of the average of five hours they spend in our city, they leave our city with a feeling of "I can" and brand new dreams. KidZania Istanbul always works to provide a clean and safe service in its 10,000 m² city with its 45 purpose partners, an average of 150 employees, tenants and suppliers.

KidZania Istanbul strengthens the city's sense of reality with its brands, each of which is a pioneer in its own sector. As representatives of the sector in their fields, they become a reference point for up-to-date

information about the profession. They also inspire with their experience areas that are aimed at the positive development of the next generation.

Learning content at KidZania is prepared by gaming experts, educators and creative designers in line with best global practices, the OECD "Education 2030-The Future We Want" framework and other international standards. KidZania Istanbul, which is also accredited by the Behavioral Sciences Institute, designs activity content based on children's ages, interests, and skills. KidZania, operating on the principle of learning while having fun, serves as a bridge between school and the outside world. By 2024, it provided 45,000 students from 475 schools with real-life experiences to back the theoretical knowledge they learned in school. As part of the "I have a big heart for a better world" corporate social responsibility project, underprivileged children are hosted at KidZania through partnerships with NGOs, public institutions, universities and the Ministry of National Education. Since the day it was opened, it has entered cooperation with 350 different NGOs, public institutions and 21 universities, with 170,000 visitors benefiting from the free learning experience by having fun. KidZania Istanbul also works to raise awareness among children and their parents of environmental, social and economic issues in the earthquake simulation center, the electricity center, the recycling and separation center, and in the social volunteering and university activity areas. KidZania Istanbul helps children feel responsible, ethical and curious in the hope that they can improve the world they live in.

In addition to the activities in the city, KidZania Istanbul also hosted product launches, press conferences, company dinners and celebrations. A total of 70 companies gifted 8,800 KidZania entries to their employees. Organized in cooperation with Türkiye İş Bankası, the Turkish Chess Federation and KidZania, the 5th Traditional Chess Tournament attracted considerable fanfare. The tournament, held between 18-20 July, was scene to intense competition between the contestants and was concluded with an awards ceremony where medals specially prepared for all contestants were distributed. On October 18, 2024, KidZania Istanbul offered adults the experience of reliving their childhood with the KidZania for Adults event it organizes every year. Dedicated to the 10th anniversary of KidZania Istanbul, participants went back to being '10 years old' on this special night and experienced various professions such as being an archaeologist, astronaut, doctor and firefighter.

KidZania Istanbul and FutureBright conducted an important comparative study between Türkiye and KidZania to understand the world of children and take steps towards the future. With the comprehensive study, children's imaginations, career preferences and perspectives on the world were examined in depth. The results of the study were shared with members of the press and KidZania Istanbul's goal partners at the KidZania Istanbul Edutainment Summit event held on Friday, February 9, 2024. One of the most significant findings of the study was that one feature which distinguishes the alpha generation (those born since the beginning of the 2010s) from previous generations is that they have full access to information, and while the regions may change, the most popular career dreams among children do not change.

While it is to be expected that children are usually interested in the professions they see around them and are familiar with, the diversity in career preferences among the children who experience KidZania is a result of the fact that the experience areas offered to them inspire and expand their visions. Children are inspired by what they know.

17% of children wanted to use their magic wand to help, eliminate evil, stop wars, bring peace to the world, protect children and make people happy. Balancing social responsibilities with individual goals, children aim to strive for the common good of humanity and take steps for social transformation. Today's children 'dream of a better world'; they are the voluntary agents of change. These strong hopes should be considered an important driving force in building the world of tomorrow. The study serves as an important guide for the future of society.

KidZania Istanbul offers comprehensive career and development programs to support the professional development of its employees. It attaches tremendous importance to women's employment, with 74% of its employees, 55% of the management staff and 80% of the members of the Board of Directors being women. In addition, with the awareness that children should have equal rights, gender equality is observed in all activities, managerial and communication activities.

In addition to technical training such as Hygiene Training, OHS Training, Post-Disaster Communication Training, Working at Height Training and First Aid Training, a training plan that contributes to professional and personal development is implemented. In 2024, management teams received a total of 3,417 hours of training, including 19 hours per person and the operations team 23 hours per person.

The KidZania Academy Project supports students' first experience of work with the aim of developing their competencies by providing them with corporate work experience. A total of 84 interns too part in the program in 2024 in cooperation with 21 universities. Students participating in the program had the opportunity to develop effective communication skills with children and parents of different age groups while strengthening their skills and developing teamwork, communication, observation and adaptation competencies. Students who successfully completed their internships received reference letters and certificates of participation in Turkish and English.

KidZania Istanbul was included in the "Essentials of Modern Marketing" book written by the world-renowned marketing guru, Philip Kotler, in the category a "Better World Through Socialpreneurship". This special publication, which serves as a guide for the business and marketing world, paved the way for the benefits of KidZania Istanbul and its contributions to society to be discussed on an international platform. KidZania once again demonstrated Istanbul's commitment to the education and development of children and its sense of social responsibility.

KidZania Istanbul maintains its activities with the aim of contributing to the society in which it is located on the way to reach a better world. From this point of view, KidZania Istanbul, which is a supporter of the UN Global Compact, remains committed to its principles in the fields of human rights, labour, the environment, tackling corruption and gender equality. KidZania represents the entertainment industry to Vision 2045, which aims to reveal the key role of organizations in achieving the 2045 UN Sustainable Goals and thus contribute to the development of a better world.

KidZania Istanbul supports children's dreams, their individual awareness and their learning experience, while offering a vision of the future which believes that experiencing things is the most effective way for dream-filled children, who will be the inspiring adults of the future, to have fun by learning.

KidZania Istanbul for a Better World.

OTHER SECTORS

- Ak-Pa Tekstil İhracat Pazarlama AŞ
- Akyaşam Yönetim Hizmetleri AŞ
- Aktek Bilgi İletişim Teknolojisi San. ve Tic. AŞ
- Dinkal Sigorta Acenteliği AŞ
- Akgirişim Müteahhitlik Müşavirlik ve Çevre Teknolojileri San. ve Tic. AŞ

Ak-Pa Tekstil İhracat Pazarlama AŞ

Pelin Irgaç
General Manager

"We are proud to have contributed to the group's export activities in 2024, with USD 593 million in exports. In line with our mission of operational excellence, we will continue to add sustainable value to our stakeholders."

Ak-Pa was founded in 1976 to handle international marketing activities and export operations of Akkök Holding of Companies. Exporting to 100 countries on 6 continents, Ak-Pa's commercial activities started with textile products and expanded to intermediate the foreign trade of all group companies including chemical products.

In 2024, Ak-Pa reached an export figure of USD 593 million FOB by mediating the export operation of the group and continued to be among the leading export companies of Türkiye. By sharing the global and national changes regarding export processes instantly with the group companies, it became a pioneer in acting in accordance with the legislation and protected against possible risks.

Interactive approaches were used in all processes to protect customer satisfaction against changes in international trade, and disruptions in operational processes were prevented. We have continued to demonstrate our sensitive approach to compliance with the law, which is one of our basic principles, in terms of international sanctions and compliance, and have continued to trade accordingly amid rapidly changing global trade balances.

The results of the customer satisfaction survey that we conducted across our Group companies in 2024 revealed an evaluation of 4.7/5 as an indicator of our understanding of operational excellence.

Implementing the Integrated Management System, Ak-Pa updated its ISO 9001: 2015 and ISO 27001: 2013 documents after the interim audit. Keeping on top of changes in legislation, Ak-Pa received the Authorized Economic Operator Certificate in 2018, where the Ministry of Customs and Trade of the Republic of Türkiye grants convenience and privileges to reliable companies in customs procedures. It renewed the 5-year certificate in 2023 with the YYS certificate. Additionally, Ak-Pa underwent external auditing in 2024 and prepared its annual activity report. With the rights provided by this certificate, Ak-Pa continues to expedite the group's export operations by completing customs procedures through the green line.

Ak-Pa ranked first in the sector in Textile and Raw Materials Exports in the "Türkiye's Top 1,000 Exporters 2023" research by the Turkish Exporters' Assembly, in which companies are ranked according to the total amount of exports realized in the previous year. Ak-Pa received the star award at the "Stars of Export" award ceremony organized by the Istanbul Textile and Raw Materials Exporters' Association to honour and encourage the institutions that shape the Turkish textile industry in recognition of their success in exports. Ak-Pa won the second prize in the 'Paint, Varnish, Inks Exports' category at the 2023 IKMIB Stars of Export Award Ceremony organized by The Istanbul Chemicals and Products Exporters' Association. Ak-Pa will continue to contribute to foreign trade with its rising performance in 2025.

Akyaşam Yönetim Hizmetleri AŞ

"AkYaşam will continue to set itself apart with its new experience and attraction centers located in the shopping centers under its management, maximizing stakeholder satisfaction in its operations and maintaining high rates of occupancy."

Zehra Tümkaya
General Manager

Akyaşam Yönetim Hizmetleri AŞ, a subsidiary of Akiş Gayrimenkul Yatırım Ortaklığı, manages the Akbatı and Akasya Shopping Centers and the Akasya Kent Etabı projects. The company continues to create value for its customers and stakeholders by squarely focusing on customer satisfaction, while seeking to build a sustainable future with its environmentally sensitive practices.

The Akasya and Akbatı Shopping Centers, which are in the Company's portfolio, have reinforced their environmentalist approach of sustainable building with national and international awards since the company's establishment, being awarded the "Excellent" rating in the "Asset Performance" category of BREEAM's Sustainable Building Certificate. In addition, Akasya and Akbatı Shopping Centers were awarded the I-REC International Renewable Energy Certificate for electricity consumption in their common areas in order to expand their renewable energy investments and field of use. Akasya and Akbatı, which stand out with their waste reduction efforts, were also recently awarded the Zero Waste Certificate by the Ministry of Environment and Urbanization.

AkYaşam meticulously manages the operations in the Akbatı and Akasya Shopping Malls within the scope of ISO 14001 Environmental Management System, the ISO 50001 Energy Management System, the ISO 45001 Occupational Health and Safety Management System, the ISO 10002 Customer Satisfaction Management System and the ISO 9001 Quality Management System.

In addition, Akyaşam was included in the "Best Workplaces For Women" list, which includes companies which demonstrate high standards of justice and fairness, in recognition of the excellent workplace experience it offers female employees.

The Akbatı and Akasya Shopping Centers reached an average occupancy rate of 97% at the end of 2024 and managed to incorporate many new brands. In order to move the brand mix of shopping malls beyond today's dynamics and continue to renew, new concepts that will increase the experience and entertainment factor were added to the store mixes, thus enhancing the attraction of managed shopping malls.

The Akbatı and Akasya Shopping Centers, which also stand out with their work on sustainability, include an array of amenities such as electric vehicle charging units, vertical farming applications, collaboration with non-governmental organizations, collection and recycling of electronic waste, and the dropping of seed balls in hard-to-reach points in natural environments by using eco-drones in cooperation with Ecording. In addition, they continue to work to reduce the use of plastics and generate energy from renewable energy sources.

AkYaşam will continue to prioritize sustainable and innovative projects in its operations and to stand out with new experience centers within the shopping centres under its management while maintaining high stakeholder satisfaction and occupancy rates.

Aktek Bilgi İletişim Teknolojisi San. ve Tic. AŞ

Aydın Fethi Baytan
Member of the Board of Directors and General Manager

"Throughout 2024, we continued to invest in innovation, create high added value for our business partners and undertake industry-leading projects in line with our vision of being "Always One Step Ahead with Technology."

During 2024, we at Aktek Bilişim strengthened our leadership in the digital transformation, invested in innovative technologies and offered end-to-end solutions for our customers. We have again proven our success by being one of the top five system integrators in Türkiye in the IT Consultancy and Hosting Management Services categories in the ICT 500 research.

This year, we took a strong step forward in the field of AI with our Aktek GenAI WorkBench platform and brought our generative AI solutions focused on data security to our corporate customers.

We continued to expand in our Corporate Information Systems, SAP and Oracle solutions and provided more effective services to our group and non-group customers. With our cyber security and IT infrastructure services, we have developed solutions that guarantee business continuity. With the opening of the Aktek Academy, we have created a new learning ecosystem that supports employee development.

In 2025, we will ramp up our growth towards building a stronger Aktek, expand our investments in AI and cloud technologies, and achieve more success stories with our customers.

I would like to thank all our colleagues, business partners and customers who have contributed to this success.

We are in the Top 5 in the Sector

Aktek was one of the top 5 companies in Türkiye in the fields of Hosting Management and IT Consultancy Services in the System Integrator and Service category in the 2024 ICT 500 study. This achievement serves as an indication of our expertise and reliability in the field of technology.

Corporate Transformation and Innovation

In order to strengthen corporate communication and development, we launched our Aktek Connect and Aktek Academy platforms. In addition, we expanded our ERP service capacity by establishing our SAP Enterprise Business Solutions Directorate. Throughout 2024, we increased our R&D and integration investments in areas such as AI, digital twins, MES and the IoT.

Our Achievements in the Group

A wide array of in-group technology projects were successfully completed including Microsoft SAM licensing, the relocation of the Akhan data center, the TrendMicro cyber security projects and inflation accounting applications. These projects established sustainable IT infrastructures, achieving cost advantages and time savings.

Non-Group Projects

With the Oracle and IBM-based solutions which we carry out with some of Türkiye's leading companies including Turkcell, Teknosa, Roketsan and Uludağ Enerji, we have also strengthened our position in the foreign market. Our service areas including IT consultancy, database management and budgeting all attracted high levels of satisfaction.

Human Resources and Corporate Culture

We are investing in the employee experience with our employer brand, "You Are at the Heart". By obtaining GPTW Certification, we have registered our goal of being a great workplace. We have supported the development goals of all of our employees through the Aktek Academy platform. A total of 58 new employees joined us in 2024, and 26 employees were promoted.

Support in Social Responsibility and Education

We implemented the "Creative Thinking Program" in the earthquake region. We supported equal opportunity in technological education by delivering unused computers to schools in need.

Strategic Technology Investments

With our Aktek GenAI WorkBench platform, we have become one of the leading companies in Türkiye that integrate generative Artificial Intelligence into corporate life. We have added value to our customers' business processes with SAP S/4HANA migrations, digital twin integrations and data-based decision support systems.

Dinkal Sigorta Acenteliği AŞ

"From the first day we were founded, we have always been by your side in the most difficult days when you needed us. As in the past and present, we will continue to stand by you in the future with our advantageous services, expert team and our corporate strength."

Ercan Erbek
Member of the Board of Directors and General Manager

Rounding off its 48th year of service in the sector at the end of 2024, Dinkal Sigorta Acenteliği AŞ completed a challenging but productive year in the insurance sector, which felt the brunt of global and local economic developments. While the post-pandemic recovery process has not been fully completed, the increasing frequency of damages and the high inflation environment after the devastating earthquake which struck in February 2023, along with exchange rate volatility has seriously affected insurance costs and compensation amounts.

In 2024, the capacity contraction in global reinsurance markets and hardening in pricing, especially in industrial insurance branches such as fire and engineering, has forced the insurance industry to undergo a restructuring both in terms of product diversity and risk acceptance processes.

At Dinkal Sigorta Acenteliği AŞ, we continued to offer our customers alternative and sustainable insurance solutions by acting with our "risk-specific solution generation approach" and using both local and international reinsurance resources effectively.

In addition to classical insurance products such as health, motor insurance, traffic insurance, housing and natural disaster insurance in the individual segment, our company continued to grow in the complementary health and personal accident branches in parallel with a rising level of awareness. In the corporate segment, a range of products providing added value to different sectors were offered with tailor-made policy designs such as engineering, logistics, loss of profit, receivables (credit), cyber risks and executive liability insurances.

Dinkal has once again demonstrated its expertise in the sector with risk analysis covering the project and operation periods of large-scale power plants, especially in the chemicals, energy and real estate sectors under the umbrella of the holding. In project-based policymaking processes, alternative offer and collateral structures have been established in cooperation with our domestic and foreign business partners.

Our service approach, which is based on the principle of high customer satisfaction, is shaped under four main headings:

- Consultancy Services
- Risk Analysis and Management
- Policy Management
- Claims Management and Compensation Tracking

Throughout 2024, we continued to work with a customer-oriented and proactive approach in order to provide sustainable solutions by correctly understanding the needs of our policyholders. In the coming period, we will continue to closely follow the dynamics of the sector and enhance our service quality with solutions integrated with technological developments and digitalization.

Akgirişim Müteahhitlik Müşavirlik ve Çevre Teknolojileri San. ve Tic. AŞ

"We are repositioning ourselves on the axis of sustainable growth, digitalization, operational excellence and customer satisfaction without deviating from our goals in our areas of operation. In addition to the services we provide to Akkök Holding group companies, we are also taking great strides to the future by targeting new non-Group projects."

Ahmet H. Maraşlı
General Manager

A 100% subsidiary of Akkök Holding, Akgirişim maintained its efforts to create a wider field of activity both in Türkiye and abroad in 2024 by carrying the EPC (Engineering, Procurement and Construction) services it provides within the scope of the investments of Akkök Holding Group Companies to non-group projects.

2024 was a turbulent year marked by economic challenges and geopolitical uncertainty around the world. Energy prices continued to fluctuate due to geopolitical tensions.

In the global economy, the impact of high inflation and interest rates remains a major problem carried down from 2023, while the tight monetary policies implemented by central banks led to a slowdown in many economies. The US and Eurozone maintained high policy rates in order to tackle inflation, but this came at the cost of a contraction in investment and consumption and a slowdown in economic growth. On the other hand, infrastructure investments and green transformation-oriented projects in some markets, especially in Europe, have created new opportunities for the construction sector.

The Turkish economy, meanwhile, was affected by tight monetary policies, the efforts to tackle inflation and the fiscal imbalances which were in place from the second half of 2023. Although the rate hikes were implemented to reassure the markets, this led to an increase in credit costs in domestic markets and softening in consumer demand, increasingly leading to a "wait and see" approach in residential and commercial real estate investments. The biggest test of the sector in 2024 was the increase in labour, energy and material costs and difficulties in accessing qualified human resources. The restructuring process, especially in the area affected by the earthquake, continued to put pressure on both costs and resource planning.

In 2024, Akkök Holding completed the Aksa Akrilik Technical Yarn Factory, the Port Office Building, the project to increase the capacity of the DowAksa Carbon Fiber Production Facility, on-campus road and landscaping work, the Akcoat Warehouse Building and the renovation of the roof and mechanical installations at the Raif Dinçkök Cultural Center in Yalova on behalf of Yalkim Organized Industrial Zone. Outside the Group, Asmar Holding completed a boutique villa project in Karamürsel, Kocaeli.

Additionally, in 2024, we continued to operate the Yalkim OSB Wastewater Treatment Plant as part of our focus on environmental and water technologies, which we have adopted as a development area.

Work on the Aksa Akrilik 09 Warehouse Project, the Akkim Kimya Epoxy Investment Project, the Akkim Nazilli Factory New Pure Facility, the Fe Process and Distillation Buildings, the Yalkim Organized Industrial Zone Technical High School, the MKS Marmara Entegre Kimya San AŞ - Sea Water Intake and Deep Sea Discharge Project and the Tavuk Dünyası - Factory Construction Project, which are projects outside the Group, will continue beyond 2024.

In 2024, we devoted significant effort to business development outside the group, preparing proposals for 18 projects. With pending contract signings and anticipated proposals, we foresee an increase in new business volume in 2025.

Akgirişim conducts all activities by an Integrated Management System based on an international standards corporate governance model. This includes implementing the ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System. To enhance the performance of these management systems, we undertake control, audit and improvement activities. The audits carried out by the accredited body in 2024 confirmed continued full compliance with the relevant standards.

Akgirişim views its employees as its most valuable resource and their competencies as the greatest assurance for its future. One of our main objectives is to meet the expectations of new-generation talents while retaining existing talents and preparing our managers to become leaders who manage change by adapting to the evolving needs of the world. In this vein, training and development programs aimed at improving the employee competencies continued in 2024.

The year 2024 marked a significant leap forward for Akgirişim in its digitalization process. In line with our vision, which positions digitalization as a strategic competitive advantage rather than as an infrastructure investment, the decision was taken to deploy digital process and document management software to carry out data-based decisions, to render cost, time and quality management more effective, to optimize the use of resources and to ensure our decision mechanisms are more agile, and necessary investments have been carried out to this end.

Beyond 2024, Akgirişim will deepen its transformation in the fields of digitalization and sustainability and resolutely press ahead with its efforts to achieve its goal of creating permanent value both in the region where it currently operates and in new markets in line with Akkök Holding's sustainability goals.

AKKÖK HOLDİNG AŞ

Consolidated Financial Statements At 31 December 2024 Together With Independent Auditor's Report

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Akkök Holding Anonim Şirketi

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Akkök Holding Anonim Şirketi (the "Company") and its subsidiaries (collectively 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, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

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

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. 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. Key audit matters were addressed in the context of our independent 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.

Key Audit Matters	How the key audit matter was addressed in the audit
Recoverability of trade receivables Trade receivables from third parties amounting to TRY 7,891,121 thousand as of 31 December 2024, are material to the consolidated financial statements of the Company. Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Such estimation includes considering the following for each customer – the amount of guarantees / collateral held, past collection performance, creditworthiness and aging of receivables. The outcome of such estimates is very sensitive to expected future market conditions. Therefore, recoverability of trade receivables is a key matter for our audit. Please refer to notes 3.3, 3.4, 9 and 31 to the financial statements for the Company's disclosures on trade receivables, including the related accounting policy.	We performed the following procedures in relation to the recoverability of trade receivables: · Understanding the business process for collections and following procedures from third parties, · Comparing trade receivable turnover days to the prior period, · Inquiries with management in relation to any disputes with customers and written inquiries with the Company's legal counsels on outstanding litigation in relation to trade receivables, · Testing receivables from third parties by obtaining confirmation letters from customers and distributors and reconciling them to the Group's accounting records, · Testing collections in the subsequent period from selected customers, · Testing, on a sample basis, guarantees/collaterals and credit insurances held and assessing the Group's ability to convert them to cash, · Assessing the adequacy of disclosures around recoverability of trade receivables in the notes to the financial statements regarding TFRSs.

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Key Audit Matters	How the key audit matter was addressed in the audit

Assessing the adequacy of disclosures around recoverability of trade receivables in the notes to the financial statements
 	
As of 31 December 2024, the Group's investment properties, which have a carrying value of TRY 37,127,714 thousand and represent a significant share of its total assets, consist of shopping mall, land and buildings.
 	
The accounting policy Group management applies when recognizing these investment properties is the "fair value method", as described in detail in notes 3.6, 4.a and 12. The fair value of these assets is determined by an independent valuation expert accredited by the Capital Markets Board and used as the basis for the carrying values in the balance sheet after being assessed by Group management. When determining the fair value of investment properties, methods such as benchmark comparison and discounted cash flow are used, and these methods include inputs based on important assumptions such as real discount rate and inflation, which may significantly impact the outcome. Fair value is directly affected by factors such as market conditions and the detailed features of each property.
 	
The work carried out to determine the fair value of the investment properties was defined as a key audit matter because the book value of investment properties comprises a significant portion of the Group's aggregate assets and the valuations are subjective in nature and include material assumptions.
	During our audit, the following audit procedures were used to determine the fair value of investment properties:
	
	· The procedures used by Group management to determine the fair value of investment properties were evaluated.
	· As for the expert carrying out the valuation work, we performed the following procedures:
	  · The experts property valuation accreditation and license were checked.
	  · The expert institution's competence, ability and objectivity were evaluated.
	· We tested the investment properties' title deed records and ownership rates.
	· We compared the consistency of the inputs that have significant impact on the property value, such as square meter details of areas that can be rented and unit sales value, against observable market prices, and then tested whether the appraised values fall within an acceptable range.
	· We have also tested inputs such as rental income, duration of rental contracts, occupancy rates and expenses used in the valuation reports that have a significant impact on property value.
	· We evaluated with our experts whether the assumptions used by the valuation experts in their valuations, such as inflation and the real discount rate fall within an acceptable range.
	· We checked whether the fair values in the valuation report complied with the notes and whether the note explanations are sufficient in terms of TFRS.
	· Assessing the adequacy of disclosures in the notes to the financial statements regarding TFRSs.

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4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group 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.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.

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Assess the 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 independent 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 consolidated financial statements. We are responsible for the direction, supervision and review of the 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.

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.

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B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 28 March 2025.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Sertü Talı, SMMM
Independent Auditor

28 March 2025

AKKÖK HOLDİNG AŞ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Note references	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
Cash and cash equivalents	5	7,006,471	10,161,329
Financial investments	6	695,496	1,642,082
Derivative financial instruments	22	211,099	105,054
Trade receivables		9,188,860	10,348,483
- Trade receivables from related parties	8, 9	1,297,739	1,254,896
- Trade receivables from third parties	9	7,891,121	9,093,587
Other receivables		1,261,330	1,464,569
- Other receivables from related parties		1,174,834	1,086,791
- Other receivables from third parties		86,496	377,778
Inventories	10	8,237,981	9,407,714
Prepaid expenses	11	494,448	794,063
Current income tax assets	30	148,340	52,460
Contract assets		335,030	500,164
Other current assets	19	1,188,953	854,278
Current assets		28,768,008	35,330,196
Trade receivables		-	129,743
- Trade receivables from third parties	9	-	129,743
Other receivables		84,361	61,749
- Other receivables from related parties	8	75,681	55,566
- Other receivables from third parties		8,680	6,183
Derivative financial instruments	22	-	2,919
Financial investments	6	297,532	112,221
Investments accounted using the equity method	7	13,354,837	11,667,296
Investment properties	12	37,127,714	33,045,301
Property, plant and equipment	13	33,309,169	28,054,789
Right of use asset	15	404,960	444,767
Intangible assets		5,760,209	5,660,337
- Goodwill	16	1,509,543	1,517,841
- Other intangible assets	14	4,250,666	4,142,496
Prepaid expenses	11	1,059,566	1,426,067
Deferred tax assets	30	73,036	875,940
Other non-current assets	19	13,116	9,827
Non-current assets		91,484,500	81,490,956
TOTAL ASSETS		120,252,508	116,821,152

The consolidated financial statements for period 1 January - 31 December 2024 were approved by the Board Directors on 20 March 2025.

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

AKKÖK HOLDİNG AŞ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Note references	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES			
Short-term borrowings	21	8,766,122	6,751,008
Short-term portion of long-term	21	4,805,892	4,702,668
Derivative financial instruments	22	-	36,076
Trade payables		6,786,958	8,685,672
- Trade payables to related parties	8, 9	118,473	244,037
- Trade payables to third parties	9	6,668,485	8,441,635
Other payables		104,973	143,878
- Other payables to third parties		104,973	143,878
Payable regarding employee benefits		213,815	222,614
Deferred income	11	600,149	1,668,513
Current income tax liabilities	30	61,463	376,565
Short-term provisions		414,672	446,944
- Short-term provisions for employment benefits	18	352,046	404,349
- Other short-term provisions	17	62,626	42,595
Contract liabilities		258,796	251,328
Other short-term liabilities	19	89,563	142,942
Current liabilities		22,102,403	23,428,208
Long-term borrowings	21	6,285,178	10,247,659
Trade payables		10,925	16,048
- Trade payables to third parties	9	10,925	16,048
Other payables		-	372
- Other payables to third parties		-	372
Deferred income	11	134	4,805
Long-term provisions		331,854	353,479
- Long-term provisions for employment benefits	18	331,854	353,479
Deferred income tax liabilities	30	4,823,293	788,060
Other long-term liabilities	19	3,766	4,811
Non-current liabilities		11,455,150	11,415,234
TOTAL LIABILITIES		33,557,553	34,843,442

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

AKKÖK HOLDİNG AŞ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Note references	Audited 31 December 2024	Audited 31 December 2023
Equity attributable to equity holders of the parent			
Paid-in share capital	23	1,003,450	1,003,450
Adjustments to share capital		11,326,960	11,326,960
Total paid-in capital		12,330,410	12,330,410
Merger offsetting account		3,987,712	3,987,712
Premiums on shares		168,015	168,015
Other comprehensive income/expense to be reclassified to profit or loss		(2,929,386)	(3,373,297)
- Change in fair value of financial assets		(5,236)	3,849
- Hedging reserves		(2,033,603)	(2,583,330)
- Currency translation differences		(890,547)	(793,816)
Other comprehensive income/expense not to be reclassified to profit or loss		(64,635)	(34,385)
- Actuarial gain/loss arising from defined benefit plans		(66,339)	(36,043)
- Actuarial gain/loss arising from defined benefit plans		1,704	1,658
Restricted reserves		623,980	579,634
Retained earnings		17,503,968	12,948,789
Net profit for the year		3,039,205	6,469,102
Total equity attributable to equity holders of the parent		34,659,269	33,075,980
Non-controlling interests		52,035,686	48,901,730
TOTAL EQUITY		86,694,955	81,977,710
TOTAL EQUITY AND LIABILITIES		120,252,508	116,821,152

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

AKKÖK HOLDİNG AŞ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Note references	Audited 31 December 2024	Audited 31 December 2023
Revenue	24	48,754,248	57,532,733
Cost of sales (-)	24	(38,891,619)	(43,751,809)
Gross profit		9,862,629	13,780,924
General administrative expenses (-)	25	(1,933,085)	(1,912,511)
Marketing and selling expenses	25	(1,416,488)	(1,598,879)
Research and development expenses		(444,498)	(367,309)
Other operating income	26	3,380,055	7,196,632
Other operating expenses (-)	26	(2,705,598)	(5,117,595)
Operating profit		6,743,015	11,981,262
Income from investment activities	27	4,301,141	4,509,373
Expense from investment activities (-)	27	(24,393)	(46,045)
Profit or loss from investments accounted using the equity method	7	2,305,428	1,425,305
Operating profit before finance income and expense		13,325,191	17,869,895
Finance income	29	3,177,261	5,683,111
Finance expenses (-)	29	(7,769,537)	(11,690,204)
Monetary gain/(loss)		2,273,136	4,293,049
Profit before tax from continuing operations		11,006,051	16,155,851
Current income tax expense	30	(611,254)	(1,530,544)
Deferred tax income/(expense)	30	(3,211,115)	811,306
Net profit for the period		7,183,682	15,436,613
Profit for the period attributable to:			
Equity holders of the parent		3,039,205	6,469,102
Non-controlling interest		4,144,477	8,967,511
Net profit for the period		7,183,682	15,436,613

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

AKKÖK HOLDİNG AŞ

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Note references	Audited 31 December 2024	Audited 31 December 2023
Net profit for the period		7,183,682	15,436,613
Other comprehensive income:			
Items to be reclassified to profit or loss			
- Currency translation differences		222,625	381,225
- (Gain)/loss on cash flow hedge		1,760,028	(2,704,847))
- Gain/(loss) on cash flow hedge, tax effect	30	(440,007)	675,6855
- (Gain)/loss on fair value of financial investments measured at fair value through other comprehensive income		(9,371)	(270)
- Gain/(loss) on fair value of financial investments measured at fair value through other comprehensive income, tax effect	30	469	13
-Gain/(loss) on currency translation differences from investments accounted using the equity method		(423,886)	(113,903)
Items not to be reclassified to profit or loss			
- Actuarial (gain)/loss arising from defined benefit plans		(66,743)	141,214
- Actuarial (gain)/loss arising from defined benefit plans, tax effect	30	17,627	(33,450)
- (Gain)/loss not to be classified from other comprehensive income to investments accounted using equity method		(30,379)	261,563
- (Gain)/loss not to be classified from other comprehensive income to investments accounted using equity method, tax effect	30	7,595	(65,391)
Total comprehensive income		8,221,640	13,978,452
Total comprehensive income attributable to:			
Equity holders of the parent		3,452,866	5,947,665
Non-controlling interest		4,768,774	8,030,787
Total comprehensive income		8,221,640	13,978,452

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

AKKÖK HOLDİNG AŞ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

				Items to be reclassified to profit or loss			Items not to be reclassified to profit or loss									
	Paid-in share capital	Adjusment to share capital	Change in fair value of financial assets measured at fair value through other comprehensive income	Currency translation differences	Hedging reserve	Actuarial loss arising from defined benefit plans	Other revaluation measurement gains	Restricted reserves	Premium on shares	Merger ofsetting account	Repurchased shares	Retained earnings	Net profit for the period	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2023	1,003,450	11,326,960	4,106	(858,945)	(1,782,796)	(243,641)	7,056	508,771	168,015	3,987,712	(13,439)	6,715,759	6,528,761	27,351,769	42,347,809	69,699,578
Transfers	-	-	-	-	-	-	(12,025)	70,863	-	-	-	6,469,923	(6,528,761)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(223,454)	-	(223,454)	(1,477,165)	(1,700,619)
Total comprehensive income	-	-	(257)	65,129	(800,534)	207,598	6,627	-	-	-	-	-	6,469,102	5,947,665	8,030,787	13,978,452
In subsidiaries capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	299	299
Increase (decrease) due to repurchase of shares [*]	-	-	-	-	-	-	-	-	-		13,439	(13,439)	-	-	-	-
Balance at 31 December 2023	1,003,450	11,326,960	3,849	(793,816)	(2,583,330)	(36,043)	1,658	579,634	168,015	3,987,712	-	12,948,789	6,469,102	33,075,980	48,901,730	81,977,710
Balance at 1 January 2024	1,003,450	11,326,960	3,849	(793,816)	(2,583,330)	(36,043)	1,658	579,634	168,015	3,987,712	-	12,948,789	6,469,102	33,075,980	48,901,730	81,977,710
Transfers	-	-	-	-	-	-	-	44,346	-	-	-	6,424,756	(6,469,102)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(728,257)	-	(728,257)	(1,634,818)	(2,363,075)
Total comprehensive income	-	-	(9,085)	(96,731)	549,727	(30,296)	46	-	-	-	-	-	3,039,205	3,452,866	4,768,774	8,221,640
Increase (decrease) due to repurchase of shares [*]	-	-	-	-	-	-	-	-	-	-	-	(1,141,320)	-	(1,141,320)	-	(1,141,320)
Balance at 31 December 2024	1,003,450	11,326,960	(5,236)	(890,547)	(2,033,603)	(66,339)	1,704	623,980	168,015	3,987,712	-	17,503,968	3,039,205	34,659,269	52,035,686	86,694,955

[*] Explained in Note 30.

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

AKKÖK HOLDİNG AŞ
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Note references	Audited 31 December 2024	Audited 31 December 2023
Net profit (loss) for the period		7,183,682	15,436,613
Adjustments:			
Adjustments related to depreciation and amortization expenses	28	3,422,988	3,058,291
Adjustments related to provisions		373,408	530,392
Adjustments related to financing expenses	29	3,353,664	3,219,656
Adjustments related to interest income and expense	29	(1,956,900)	(936,204)
Profit/losses from investments accounted using the equity method	7	(2,305,428)	(1,425,305)
Adjustments related to impairment		23,148	36,635
Adjustments for gain (loss) on sale of property, plant and equipment and intangibles and investment properties		(108,962)	(118,467)
Adjustments related to fair value (losses)/gains		(1,937,619)	(4,894,923)
Adjustments related to monetary loss and gain		(2,897,685)	(7,208,046)
Adjustments to tax expense	30	3,822,369	719,238
Unrealized foreign currency translation differences		1,631,511	6,356,999
Change in blocked deposits		25,963	7,122
Cash flows from operating activities before changes in assets and liabilities		10,630,139	14,782,001
Changes in assets and liabilities			
Adjustments for increase/decrease in trade and other receivables from related parties		(151,001)	(1,429,675)
Adjustments for increase/decrease in trade and other receivables from third parties		1,452,214	1,973,277
Adjustments for increase/decrease in inventories		1,297,858	2,220,578
Increases/(decreases) in prepaid expenses		666,116	(641,187)
Other (decreases)/increases		(337,964)	399,943
Adjustments for increase/decrease in trade and other payables to related parties		(125,564)	(564,242)
Adjustments for increase/decrease in trade and other payables to third parties		(1,817,550)	(1,258,292)
Increases/(decreases) in deferred income		(1,073,035)	(297,582)
Increase (decrease) in employee benefits		(8,799)	57,873
Other (decreases)/increases		(54,424)	(29,358)
Tax payments		(892,886)	(965,403)
Employee termination benefits paid	18	(241,072)	(500,396)
Cash flows from operating activities		9,344,032	13,747,537

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

AKKÖK HOLDİNG AŞ
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Note references	Audited 31 December 2024	Audited 31 December 2023
Investing activities			
Cash outflows from purchases to obtain control of subsidiaries		-	(595,056)
Cash outflows from purchases of property, plant and equipment and intangible assets	13	(8,195,080)	(5,148,132)
Cash inflows from sale of property, plant and equipment and intangible assets		134,373	41,490
Cash outflows from purchases of intangible assets	14	(471,668)	(394,823)
Cash inflow from sales of intangible assets		40,326	17,694
Cash inflows from sale of shares of investments accounted using the equity method		121,955	14,841
Cash outflows from sale of shares of investments accounted using the equity method	7	(16,502)	(49,743)
Shares of other businesses or funds or cash outflows for the acquisition of debt instruments		(432,744)	(1,599,241)
Cash outflows from the purchase of investment property	12	(11,487)	(3,570)
Cash inflows from the sale of investment property		-	202,712
Dividend received	7	42,616	38,445
Cash (inflows)/outflows from investing activities		(8,788,211)	(7,475,383)
Financing activities			
Cash inflows from borrowings obtained	21	13,173,620	14,638,278
Cash outflows from borrowings paid	21	(10,321,160)	(13,677,050)
Cash outflows from payments of lease liabilities		(22,050)	(48,475)
Cash inflows from share issuance or capital increase		-	299
Cash outflows from the acquisition of own shares and other equity instruments		-	80,432
Dividend paid		(2,363,075)	(1,700,619)
- Payments made to parent company shares		(728,257)	(223,454)
- Payments to non-controlling interests		(1,634,818)	(1,477,165)
Dividend payments to non-controlling shares		-	-
Interest paid		(2,985,581)	(2,890,356)
Interest received		1,824,433	933,370
Cash inflows/outflows from financing activities		(3,056,888)	(4,364,740)
Effect of monetary gain and loss differences on cash and cash equivalents		(3,123,373)	(4,247,538)
Net increase/(decrease) in cash and cash equivalents		(5,624,438)	(2,340,124)
Cash and cash equivalents at the beginning of the period	5	9,984,645	10,624,151
Cash and cash equivalents at the end of the period	5	6,723,282	9,984,645

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

AKKÖK HOLDİNG AŞ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Akkök Holding Anonim Şirketi ("Akkök") was established in 1979. Akkök, its subsidiaries, joint ventures and associates (all together referred as "the Group") mainly operate in the chemicals, energy, real estate, composite, coating and textile sectors and engage in manufacturing of all kinds of raw materials, auxiliary materials and intermediate substances, artificial, synthetic and natural fibres, carbon fibres, composite part, filament and polymers, and any equipment, machinery or spare parts used in the production, processing or storage of these, importing and exporting, establishment of domestic, foreign and international branches, marketing and trading, coating of the materials such as metal sheet, stainless steel, aluminum, ceramic tile, sanitary ware, porcelain and glass, establishment and start-up and rental of energy generation plant, electricity generation and sale of generated electricity or capacity to customers and purchase and sale of or investing in real estate properties. The Group, in addition to its main operation also has operations in restaurant management, marketing, information technology, insurance agency, venture capital management and tourism companies.

The Group's ultimate parents are A.R.D Holding Anonim Şirketi, NDÇ Holding Anonim Şirketi, and Atlantik Holding Anonim Şirketi, which are being controlled by Dinçkök family members (Note 23).

On 22 April 2014, at the general assembly for 2013, the Company has changed its title to Akkök Holding Anonim Şirketi from Akkök Sanayi Yatırım ve Geliştirme Anonim Şirketi with the amendment of 3rd Article of Company's articles of association and following the decision, change of the title has been registered on trade registry 13 May 2014 followed by the declaration on 20 May 2014, Akkök Holding Anonim Şirketi is registered in Turkey and the address of the registered office is as follows:

Miralay Şefik Bey Sokak No: 15 Akhan Gümüşsuyu 34437 İstanbul

AKKÖK HOLDİNG AŞ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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Subsidiaries

The subsidiaries of Akkök, the countries they are incorporated in, and the nature of their businesses are as follows:

Subsidiaries	Country of incorporation	Nature of business
Akiş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ("Akiş")	Turkey	Real estate investment
Akyaşam Yönetim Hizmetleri Anonim Şirketi	Turkey	Real estate investment
Akasya Çocuk Dünyası Anonim Şirketi	Turkey	Real estate investment
Aksu Real Estate E.A.D. ("Aksu Real Estate")	Bulgaria	Real estate investment
Akkim Kimya Sanayi ve Ticaret Anonim Şirketi ("Akkim")	Turkey	Chemicals
Akkim Europe GmbH ("Akkim Europe") [1]	Germany	Chemicals
Akcoat İleri Kimyasal Kaplama Malzemeleri Sanayii ve Ticaret Anonim Şirketi ("Akcoat")	Turkey	Chemicals
Akkim Silikon Kimya Sanayi ve Ticaret A.Ş.	Turkey	Chemicals
Akcoat USA Inc.	USA	Chemicals
Akcoat Recubrimientos Quimicos Espacializados, S.L.U." ("Akcoat Spain")	Spain	Chemicals
Akcoat Recubrimientos Quimicos Espacializados S. de R.L. de C.V ("Akcoat Meksika")	Mexico	Chemicals
Dinox Handels GmbH ("Dinox")	Germany	Chemicals
Tasfiye Halinde Akmeltem Poliüretan Sanayi ve Ticaret Anonim Şirketi ("Akmeltem") [2]	Turkey	Chemicals
Aksa Akrilik Kimya Sanayii Anonim Şirketi ("Aksa")	Turkey	Chemicals
Akmerkez Lokantacılık Gıda Sanayi ve Ticaret Anonim Şirketi ("Akmerkez Lokanta")	Turkey	Restaurant management
Ak-Pa Tekstil İhracat Pazarlama Anonim Şirketi ("Akpa")	Turkey	International trade
Aktek Bilgi İletişim Teknolojisi San. ve Tic. Anonim Şirketi ("Aktek")	Turkey	Information technologies
Dinkal Sigorta Acenteliği Anonim Şirketi ("Dinkal")	Turkey	Insurance agency
Zeytinliada Turizm ve Ticaret Anonim Şirketi ("Zeytinliada")	Turkey	Tourism
Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş. ("Epsilon")	Turkey	Chemicals
Epsilon Hizmet Satış Danışmanlık ve Pazarlama A.Ş. [3]	Turkey	Chemicals
Lider Tünel İnşaat A.Ş.	Turkey	Construction
Akkök Next Yatırım Holding A.Ş.	Turkey	Venture Capital management
Akkök Next B.V. [4]	Netherlands	Venture Capital management
Akgirişim Müteahhitlik Müşavirlik ve Çevre Teknolojileri San. ve Tic. A.Ş.	Turkey	Construction
Akventure GmbH	Germany	Construction
Akgirişim & Akventure Konsorsiyum GBR	Germany	Construction

[1] On 26 September 2024, the title of Dinox Handels GmbH was confirmed as Akkim Europe GmbH.
[2] The liquidation procedures were completed on February 29, 2024.
[3] On January 26, 2024, it merged with Epsilon Composite Technology and Defense Industry Inc. and was deleted from the registry.
[4] It was established in the Netherlands on February 5, 2024 as a 100% subsidiary of Akkök Next.

Joint ventures

The joint ventures of Akkök, the countries they are incorporated in, and the nature of their businesses and joint venture partners are as follows:

Joint Ventures	Country of incorporation	Nature of business	Joint venture partner
Akcez Enerji Yatırımlar Sanayi ve Ticaret Anonim Şirketi ("Akcez")	Turkey	Energy	Torunlar
Sakarya Elektrik Dağıtım Anonim Şirketi ("Sedaş")	Turkey	Energy	Torunlar
Sakarya Elektrik Perakende Satış Anonim Şirket ("Sepaş")	Turkey	Energy	Torunlar
Sepaş Akıllı Çözümler A.Ş. ("Sepaş")	Turkey	Energy	Torunlar
Akcez Akgirişim Artuk Adi Ortaklığı [*]	Turkey	Construction	Torunlar
Akcez Aktek Teknovel Adi Ortaklığı [*]		Information	
Akcez Aktek Teknovel Adi Ortaklığı [*]	Turkey	technologies	Torunlar
Akenerji Elektrik Üretim Anonim Şirketi ("Akenerji")	Turkey	Energy	CEZ a.s.
Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret Anonim Şirketi	Turkey	Energy	CEZ a.s.
Akenerji Elektrik Enerjisi İthalat-İhracat ve Toptan Ticaret Anonim Şirketi	Turkey	Energy	CEZ a.s.
Ak-el Kemah Elektrik Üretim Anonim Şirketi ("Kemah")	Turkey	Energy	CEZ a.s.
Ak-el Sungurlu Elektrik Üretim A.Ş. ("Akel Sungurlu")	Turkey	Energy	CEZ a.s.
5er Enerji Tarım Hayvancılık A.Ş. ("5er Enerji")	Turkey	Energy	CEZ a.s.
Akenerji Company For Electric Energy Import And Export And Wholesale Trading/Contribution Branch A.Ş. ("Akenerji Toptan Khabat")	Iraq	Energy	CEZ a.s.
Aken Europe B.V. ("Aken B.V.")	Netherlands	Energy	CEZ a.s.
DowAksa Advanced Composites Holding B.V. ("DowAksa")	Netherlands	Chemicals	Dow Europe Holdings B.V.
DowAksa İleri Kompozit Malzemeler San, Ltd, Şirketi	Turkey	Chemicals	Dow Europe Holdings B.V
DowAksa Switzerland GmbH	Switzerland	Chemicals	Dow Europe Holdings B.V
DowAksa USA LLC	USA	Chemicals	Dow Europe Holdings B.V
DowAksa Deutschland GmbH	Germany	Chemicals	Dow Europe Holdings B.V
DowAksa Rus LLC [**]	Russia	Chemicals	Dow Europe Holdings B.V
Akiş- Mudanya Adi Ortaklığı	Turkey	Real Estate	Mudanya Gayrimenkul Geliştirme ve Yatırım A.Ş.
Akiş – Güray Adi Ortaklığı	Turkey	Real Estate	Güray Gayrimenkul Geliştirme ve İnşaat A.Ş.
WMG London Developments L.P.	England	Real Estate	-
OXR Limited	England	Real Estate	-

Associates

The associates of Akkök, the countries they are incorporated in, and the nature of their businesses are as follows:

Associates	Country of incorporation	Nature of business
Akmerkez Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ("Akmerkez")	Turkey	Real Estate Development

[*] It was established on February 16, 2024.
[**] Closed on May 7, 2024.

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Financial investments

The financial investments of Akkök, the countries they are incorporated in, and the nature of their businesses are as follows:

Financial investments	Country of incorporation	Nature of business
Akhan Bakım Yönetim Servis Hizmet Ticaret Anonim Şirketi ("Akhan")	Turkey	Service
Üçgen Bakım ve Yönetim Hizmetleri Anonim Şirketi ("Üçgen")	Turkey	Service

Subsidiaries that are not material to the consolidated financial statements and financial investments that do not have quoted fair values or for which fair values cannot be reliably measured through alternative methods, are measured at cost less any impairment.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

The accompanying consolidated financial statements of the Group has been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS"), which have been enacted by the Public Oversight Accounting and Auditing Standards Authority ("POA"). TFRSs; Turkish Accounting Standards includes Turkish Financial Reporting Standards and related annexes and comments.

Akkök, its subsidiaries, joint ventures and affiliates operating in Turkey, prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC") tax legislation, the Uniform Chart of Accounts published by the TR Ministry of Treasury and Finance, and the explanations and circulars. It is prepared in lira. These consolidated financial statements have been prepared by reflecting the adjustments and classifications required for compliance with TFRS to the statutory financial statements prepared on the historical cost basis.

Companies subject to independent audit in Turkey prepare their financial statements in accordance with the Turkish Commercial Code and the Turkish Financial Reporting Standards, which have been enacted by the Public Oversight Accounting and Auditing Standards Authority ("POA"). The TCC has stipulated that companies that will be subject to independent auditing will be determined by the Council of Ministers. With the "Decision of the Council of Ministers on the Determination of the Companies to be Subject to Independent Audit", which entered into force on 23 January 2013, companies that will be subject to independent audit were determined based on some criteria based on asset size, revenue and number of employees. Since the company has exceeded the criteria mentioned in this decision as of 1 January 2013, it is within the scope of independent auditing.

Consolidated financial statements and footnotes have been presented in accordance with the "2024 TFRS Taxonomy" announced by the POA with its resolution dated 3 July 2024.

Consolidated financial statements prepared in accordance with IFRS require the use of significant accounting estimates and also include management's assessments in the application of the Group's accounting policies. Although these estimates are based on management's best knowledge of events as of the date of preparation of the financial statements, these estimates may differ materially from actual results. Areas that involve significant evaluation and complexity, and areas where estimates and assumptions are material to the financial statements are explained in Note 4.

The Group has prepared its financial statements for the year ended 31 December 2024, by applying TAS 29 "Financial Reporting in Hyperinflation Economies" Standard, based on the announcement made by the POA on 23 November 2023 and the "Implementation Guide on Financial Reporting in Hyperinflation Economies" published. The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the balance sheet date and that comparative figures for prior period financial statements be expressed in terms of the current measuring unit at the end of the reporting period. Therefore, the Group presented its consolidated financial statements as of 31 December 2023, on the purchasing power basis as of 31 December 2024.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TSI). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year End	Index	Conversion Factor	Three-year Inflation Rate
31 December 2024	2,648.55	1.00000	%291
31 December 2023	1,859.38	1.44379	%268
31 December 2022	1,128.45	2.37897	%156

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 are applied.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- Financial statements for previous reporting periods have been adjusted based on the current purchasing power of money at the balance sheet date.

The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

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(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

2.2 Principles of consolidation

The significant accounting policies used during the preparation of these consolidated financial statements are summarised below:

a) The consolidated financial statements include the accounts of the parent company, Akkök, its subsidiaries, joint ventures and associates on the basis set out in sections (b) to (e) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and are prepared in accordance with TFRS as explained in Note 2.1. The results of operations of subsidiaries, joint ventures and associates are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively.

b) Subsidiaries are companies in which Akkök has the power to control their financial and operating policies. Akkök's control over the investee, only and only when all of the following indicators are available; (a) has power over the investee, (b) the exposure to variable returns from its involvement with the investee or is entitled to these returns, and (c) has the ability to use its power over the investee to affect the amount of return to be earned.

Such control is established through the joint exercise of; (a) the voting rights of Akkök and its subsidiaries, (b) the voting rights of certain members of Dinçkök family and the related shareholders who declared to exercise their voting rights inline with Akkök's voting preference, and (c) the voting rights of entities that are controlled by the family members mentioned above and the related shareholders, which declared to exercise their voting rights inline with Akkök's voting preference. Effective interest rate represents the effective shareholding of the Group through the shares held directly by Akkök and indirectly by its subsidiaries in the consolidated financial statements, interests owned by the Dinçkök family members are presented as non-controlling interests.

The statements of balance sheets and statements of comphrensive income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Akkök and its subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Akkök and its subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by Akkök in its subsidiaries are eliminated from equity and income for the period, respectively.

The portion of the profit or loss and net assets of subsidiaries attributable to equity interests that are not owned, directly or indirectly through the subsidiaries, by the parents, is presented as non- controlling interest.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

The table below sets out the proportion of voting power held by Akkök and its subsidiaries and effective ownership interests on 31 December 2024 and 2023:

	Voting power held by Akkök and its subsidiaries (%)[1]		Voting power held by ertain Dinçkök family number and related shareholders (%)[2]		Total voting power held (%)		Effective interest[3]	
Subsidiaries	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Akkim Kimya Sanayi ve Ticaret Anonim Şirketi	42.00	42.00	31.30	31.30	73.30	73.30	42.00	42.00
Akcoat İleri Kimyasal Kaplama Malzemeleri Sanayii ve Ticaret Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	42.00	42.00
Akcoat Recubrimientos Quimicos Espacializados, S.L.U.	100.00	100.00	-	-	100.00	100.00	42.00	42.00
Akcoat Recubrimientos Quimicos Espacializados S. de R.L. de C.V	100.00	100.00	-	-	100.00	100.00	42.00	42.00
Akcoat USA Inc.	100.00	100.00	-	-	100.00	100.00	42.00	42.00
Akkim Silikon Kimya Sanayi ve Ticaret A.Ş.	65.00	65.00	-	-	65.00	65.00	27.30	27.30
Akkim Europe GmbH	100.00	100.00	-	-	100.00	100.00	42.00	42.00
Tasfiye Halinde Akmeltem Poliüretan Sanayi ve Ticaret Anonim Şirketi	-	50.00	-	1.67	-	51.67	-	50.00
Akmerkez Lokantacılık Gıda Sanayi ve Ticaret Anomim Şirketi	43.75	43.75	-	-	43.75	43.75	43.75	43.75
Ak-Pa Tekstil İhracat Pazarlama Anonim Şirketi	86.69	86.69	-	-	86.69	86.69	86.69	86.69
Aksa Akrilik Kimya Sanayi Anonim Şirketi	39.59	39.59	19.74	19.74	59.33	59.33	39.59	39.59
Dinkal Sigorta Acenteliği Anonim Şirketi	96.66	96.66	-	-	96.66	96.66	96.66	96.66
Zeytinliada Turizm ve Ticaret Anonim Şirketi	89.80	89.80	-	-	89.80	89.80	89.80	89.80
Epsilon Hizmet Satış Danışmanlık ve Pazarlama A.Ş.	100.00	100.00	-	-	100.00	100.00	10.20	10.20
Lider Tünel İnşaat A.Ş.	100.00	100.00	-	-	100.00	100.00	10.20	10.20
Akiş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi	14.66	14.66	37.72	37.72	52.38	52.38	14.66	14.66
Aksu Real Estate E.A.D.	100.00	100.00	-	-	100.00	100.00	14.66	14.66
Akyaşam Yönetim Hizmetleri Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	14.66	14.66
Akasya Çocuk Dünyası Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	14.66	14.66
Aktek Bilgi İletişim Teknolojisi San. ve Tic. Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Akgirişim Müteahhitlik M üşavirlik ve Çevre Teknolojileri San. ve Tic. A.Ş.	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Akventure GmbH	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Akgirişim & Akventure Konsorsiyum GBR	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Akkök Next Yatırım Holding A.Ş.	26.01	26.01	62.43	62.43	88.44	88.44	26.01	26.01
Akkök Next B.V.	100.00	100.00	-	-	100.00	100.00	26.01	26.01

[1] Represents total direct ownership interest held by Akkök and its subsidiaries.
[2] Represents total direct ownership interest held by certain Dinçkök family members and related shareholders who declared to exercise their voting power in-line with the voting preference of Akkök.
[3] Represents total direct and indirect ownership interest held by Akkök.

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c) A joint arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an economic activity. A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Akkök exercises such joint control through direct and indirect ownership interest held by itself and/or through voting power Dinçkök family members and the related shareholders who declared to exercise their voting power inline with the voting preferences Akkök. The Group's interest in joint ventures is accounted for by using the equity method. Under the equity method, investments in the joint ventures are carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the joint venture and the comprehensive income reflects the share of the results of operations of the joint ventures. Where there has been a change recognised directly in the equity of the joint ventures, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. The table below sets out the joint-ventures, the proportion of voting power held by Akkök and its subsidiaries and effective ownership interests on 31 December 2024 and 2023:

	Voting power held by Akkök and its subsidiaries (%)[1]		Voting power held by ertain Dinçkök family number and related shareholders (%)[2]		Total voting power held (%)		Effective interest[3]	
Joint Ventures	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Akenerji Elektrik Üretim Anonim Şirketi	20.43	20.43	16.93	16.93	37.36	37.36	20.43	20.43
Akenerji Elektrik Enerjisi İthalat-İhracat ve Toptan Ticaret Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	20.43	20.43
Ak-El Kemah Elektrik Üretim Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	20.43	20.43
Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	20.43	20.43
Akel Sungurlu Elektrik Üretim A.Ş.[*]	100.00	100.00	-	-	100.00	100.00	-	-
5er Enerji Tarım Hayvancılık A.Ş.	100.00	100.00	-	-	100.00	100.00	-	-
Akenerji Company For Electric Energy Import And	100.00	100.00	-	-	100.00	100.00	-	-
Aken Europe B.V.	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Akcez Enerji Yatırımları Sanayi ve Ticaret Anonim Şirketi	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Sakarya Elektrik Dağıtım Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	50.00	50.00
Sakarya Elektrik Perakende Satış Anonim Şirketi	100.00	100.00	-	-	100.00	100.00	50.00	50.00
Sepaş Akıllı Çözümler A.Ş.	100.00	100.00	-	-	100.00	100.00	50.00	50.00
Akcez Akgirişim Artuk Adi Ortaklığı	98.00	-	-	-	98.00	-	49.00	-
Akcez Akgirişim Teknovel Adi Ortaklığı	98.00	-	-	-	98.00	-	49.00	-
Dowaksa Advanced Composites Holding B.V	50.00	50.00	-	-	50.00	50.00	19.79	19.79
DowAksa İleri Kompozit Malzemeler Sanayi Ltd. Şirketi	100.00	100.00	-	-	100.00	100.00	19.79	19.79
DowAksa Switzerland GmbH.	100.00	100.00	-	-	100.00	100.00	19.79	19.79
DowAksa USA LLC	100.00	100.00	-	-	100.00	100.00	19.79	19.79
DowAksa Deutschland GmbH.	100.00	100.00	-	-	100.00	100.00	19.79	19.79
DowAksa Rus LLC	-	100.00	-	-	-	100.00	-	19.79
Akiş - Mudanya Adi Ortaklığı	50.00	50.00	-	-	50.00	50.00	7.33	7.33
Akiş - Güray Adi Ortaklığı	50.00	-	-	-	50.00	-	11.73	-
WMG London Developments L.P.	50.00	50.00	-	-	50.00	50.00	13.12	13.09
OXR Limited	100.00	100.00	-	-	100.00	100.00	13.12	13.09

[1] Represents total direct ownership interest held by Akkök and its subsidiaries.
[2] Represents total direct ownership interest held by certain Dinçkök family members and related shareholders who declared to exercise their voting power in-line with the voting preference of Akkök.
[3] Represents total direct and indirect ownership interest held by Akkök.
[*] Within the scope of the capacity lease agreement and usufruct rights agreements signed by Akenerji Toptan, Akel Sungurlu and 5ER Enerji shares have been consolidated in the financial statements using the full consolidation method as of 31 December 2023, since the shares of Akel Sungurlu and 5ER Enerji have a free purchase option at any time and the controlling power is in Akenerji Toptan.
[**] The branch of the subsidiary operating in a different country is also indicated.

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d) Investments in associated undertakings are accounted for using the equity method (Note 7). These are undertakings, over which the Group generally has between 20% and 50% of the voting rights; through the voting rights of Akkök and its subsidiaries and/or through the voting rights of certain members of Dinçkök family and related shareholders in those companies who declared to exercise their voting rights inline with Akkök's voting preference or through the Group's exercise of significant influence with, no controlling power. Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated undertaking or significant influence of the Group ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter. The table below sets out the associates accounted for using the equity method of accounting, the proportion of voting power held by Akkök and its subsidiaries and effective ownership interests on 31 December 2024 and 2023:

	Voting power held by Akkök and its subsidiaries (%)[1]		Voting power held by certain Dinçkök family numbers and related shareholders (%)[2]		Total voting power held (%)		Effective interest[3]	
Associates	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Akmerkez Gayrimenkul Yatırım Ortaklığı Anonim Şirketi[4]	11.73	11.73	-	-	11.73	11.73	11.73	11.73

e) Other investments in which the Group and its subsidiaries have an interest below 20%, or Group and its subsidiaries have an interest over 20% but the Group does not exercise a significant influence, or which are immaterial, and which do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value (Note 6).

	Voting power held by Akkök and its subsidiaries (%)[1]		Voting power held by certain Dinçkök family numbers and related shareholders (%)[2]		Effective interest (%)[3]	
Financial Investments	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Akhan Bakım Yönetim Servis Hizmet Ticaret Anonim Şirketi	99.40	99.40	0.15	0.15	99.40	99.40
Üçgen Bakım ve Yönetim Hizmetleri Anonim Şirket	39.37	39.37	-	-	39.37	39.37

[1] Represents total direct ownership interest held by Akkök and its subsidiaries.
[2] Represents total direct ownership interest held by certain Dinçkök family members and related shareholders who declared to exercise their voting power in-line with the voting preference of Akkök.
[3] Represents total direct and indirect ownership interest held by Akkök.
[4] Akkök has the significant influence over Akmerkez GYO, an associate of the Group, through representation on the board of directors and participation in policy-making processes, including participation in decisions about dividends or other distributions.

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2.3 The new standards, amendments and interpretations

a) Standards, amendments and interpretations applicable as at 31 December 2024:

Amendment to IAS 1 – Non-current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2024:

Amendments to IAS 21 - Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Annual improvements to IFRS – Volume 11; Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

IFRS 18 Presentation and Disclosure in Financial Statements; effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 19 Subsidiaries without Public Accountability: Disclosures; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

2.4 Comparatives and adjustment to previous periods' financial statements

Comparatives and adjustments to previous periods' financial statements

In order to allow the determination of the financial position and performance trends, the Group's consolidated financial statements for the current period are prepared comparatively with the prior period. The consolidated statement of financial position of the Group as at December 31, 2024 is prepared comparatively with the statement of financial position as at December 31, 2023 and the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year ended December 31, 2024 are prepared comparatively with the related financial statements for the year ended December 31, 2023.

Comparative figures

As explained in Note 2.1, figures for the previous reporting period are adjusted by applying the general price index so that the comparative financial statements are presented in the currency of the reporting period end. Information disclosed in respect of prior periods is also expressed in the currency of the reporting period.

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2.5 Changes in accounting policies, accounting estimates and errors

Significant changes in accounting policies or significant errors are corrected, retrospectively; by restating the prior period consolidated financial statements. The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods.

2.6 Going concern

The consolidated financial statements including the accounts of the parent company, its subsidiaries, joint ventures and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Offsetting

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

3.2 Related parties

Parties are considered related to the Group if;

a) directly, or indirectly through one or more intermediaries, the party:

i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);

ii) has an interest in the Group that gives it significant influence over the Group or has joint control over the Group;

b) the party is an associate;

c) the party is a joint venture in which the Group is a venture;

d) the party is member of the key management personnel of the Group or its parent;

e) the party is a close member of the family of any individual referred to in (a) or (d);

f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

g) the party has a post-employment benefit plan for the benefit of employees of the Group, or of an entity that is a related party of the Group.

Related party transactions are transfer of resources, services or obligations between related parties, regardless of whether a price is charged. A number of transactions are entered into with related parties in the ordinary course of business (Note 8).

3.3 Financial assets

Classification

Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition, except where the business model of the Group is subject to change in the management of financial assets. In the case of business model change; the financial assets are reclassified on the first day of the following the change reporting period.

Recognition and Measurement

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables" and "financial investments". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the consolidated statement of income.

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified.

Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

Subsidiaries excluded from the scope of consolidation

For investments as subsidiaries that are excluded from the scope of consolidation on the grounds of materiality where there is no quoted market price and where a reasonable estimate of fair value cannot be determined since other methods are inappropriate and unworkable, they are carried at cost less any impairment (Note 6).

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3.4 Trade receivables and payables

Trade receivables are recognised at original invoice amount and carried at amortised cost less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The allowance is an estimated amount which is difference between existing receivable and collectible amount. Collectible amount is the discounted value of trade receivables, all cash flows including collections from guarantees by using original effective interest rate. Bad debts are written off when identified (Note 9).

Applied the "simplified approach" for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

Trade payables consist of the amounts invoiced or not invoiced related with the realised material or service purchases and are carried at amortised cost (Note 9).

3.5 Inventories

Inventories are valued at the lower of indexed cost or net realisable value less costs to sell. Cost of inventories comprises the purchase cost and the cost of bringing inventories into their present location and condition. Cost is determined by the monthly moving weighted average method. The cost of borrowings is not included in the costs of inventories. Net realisable value less costs to sell is the estimated sales price in the ordinary course of business, less the estimated costs necessary to make the sale (Note 10).

Land planned for used in current or near future development projects are classified as inventories. As of balance sheet date, inventories which are not expected to be sold in one year are classified under non- current assets.

3.6 Investment properties

Land and buildings that are held for rental yields or for capital appreciation or both rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as "investment property" (Note 12).

Investment properties are measured at fair value and changes in fair value are recognized under statement of profit or loss. Fair value of an investment property is the price at which the property could be exchanged between or a payment of a debt between knowledgeable and willing parties in a market condition.

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3.7 Property, plant and equipment

Property, plant and equipment are stated at indexed cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided for property, plant and equipment on a straight-line basis (Note 13). Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Useful life (Year)
Land improvements	2-50
Buildings	5-50
Machinery and equipment	3-40
Motor vehicles	4-8
Furniture and fixtures	2-50
Leasehold improvements	4-5

The Group assesses at each balance sheet date whether there is objective evidence that a property, plant and equipment or a group of property, plant and equipment is impaired. In the event of circumstances indicating that an impairment has occurred in the property, plant and equipment, an inspection is performed for the purpose of determining a possible impairment, and if the registered value of the tangible asset is higher than its recoverable value, the registered value is reduced to its recoverable value by reserving a provision. The recoverable value is considered either the net cash flow to be caused by the current use of the respective property, plant and equipment or the next sales price, whichever is higher.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their restated carrying amounts and are included in the related income and expense accounts, as appropriate (Note 27).

Repairs and maintenance are charged to consolidated statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will be retained.

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3.8 Intangible assets

Intangible assets acquired separately from a business are capitalised at indexed acquisition cost. Intangible assets created within the business are not capitalised and the related expenditures are charged against profits in the year in which it is incurred. They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. The depreciation period for the intangibles capitalised in relation with the developments will be started after the production of these developments are started. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (Note 14).

Fees paid for usage rights of assets in Yalova Kompozit ve Kimya İhtisas Islah Organize Sanayi Bölgesi ("Yalkim OSB") have been classified under intangible assets and fees paid for usage of land with indefinite useful life is not amortized.

Intangible assets recognized as a part of business combination

In business combinations, the acquirer may recognize identifiable assets, intangible assets and/or contingent liabilities which are not included in the acquiree's financial statements and which can be separated from goodwill, at their fair values in the consolidated financial statements. The customer relationships of the acquiree is considered as identifiable intangible asset and recognized at fair value at the acquisition date.

Intangible assets useful lives vary between 3 and 15 years.

Research and development expenses

Expenditures for research and development are expensed in the period incurred. Except with the following criteria for project expenditures are recorded as expense in the period incurred as well. The costs related to the development projects are capitalised when the criteria below are met and amortised on a straight-line basis over the useful lives of related projects according to TAS 38 "Intangible Assets" (Note 14):

- The product or process is clearly defined, and costs are separately identified and measured reliably,
- The technical feasibility of the product is demonstrated,
- The product or process will be sold or used in-house,
- A potential market exists for the product or its usefulness in case of internal use is demonstrated
- Adequate technical, financial and other resources required for completion of the project are available.

The Group manages research and development projects with project declaration documentation. On the beginning and ending of projects, top management of Group confirms projects declaration forms, reviews projects and controls research and development expenses and capitalization.

3.9 Revenue recognition

Group recognises revenue based on the following five principles in accordance with the TFRS 15 - "Revenue from Contracts with Customers" standard effective from 1 January 2019:

- Identification of customer contracts
- Identification of performance obligations
- Determination of the transaction price in the contracts
- Allocation of transaction price to the performance obligations
- Recognition of revenue

Group evaluates each contracted obligation separately and respective obligations, which are committed to deliver the goods or perform services, are determined as separate performance obligations. After that determines at whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation.

The goods or services are transferred when the control of the goods or services is delivered to the customers.

Following indicators are considered while evaluating the transfer of control of the goods and services:

a) presence of Group's collection right of the consideration for the goods or services,

b) customer's ownership of the legal title on goods or services,

c) physical transfer of the goods or services,

d) customer's ownership of significant risks and rewards related to the goods or services,

e) customer's acceptance of goods or services.

If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted.

On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference of the consideration is recognised on an accrual basis as other operating income. Incomes from consultancy services resulting from the construction of facilities are accounted for when it is probable that the economic return to the Group will be possible and the yield can be reliably measured. Revenue is calculated by deducting the discounts and value added and sales taxes.

Dividend income is recognised when the Group has the right to receive the dividend payment. Commission income is recognised when the intermediary goods have been billed by the seller.

The Group has accrued volume rebates in line with the customers' purchase targets to be paid at the end of the year. The Group classifies such volume rebates as "sales discounts" account under revenues.

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Rent income from investment properties is recognized on the accrual basis. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the amount of revenue can be measured reliably and when it is probable that future economic benefits associated with the transaction will flow to the Group. The seasonal rent discounts are offsetted from rent revenue as incurred.

Revenue is shown by after eliminated in-group sales, deducting discounts and sales taxes.

Revenue from real estate sales is recognized in the statement of comprehensive income when the risks and benefits are transferred to the buyer.

Interest income is recognized using the effective interest method, which takes into account the future cash inflows from an asset over its expected life.

3.10 Borrowings

All bank borrowings are initially recognised at cost, being the fair value of the consideration received net of issue cost associated with the borrowing. After initial recognition, bank borrowings are subsequently measured at amortised cost using the effective yield method. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement (Note 21).

3.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale.

3.12 Provision for employee termination benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

TAS 19, "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc,) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/losses (Note 18).

The Group has an employee benefit plan called "Seniority Incentive Bonus" ("Bonus") which is paid to employees with a certain level of seniority. The Group accounts for this Bonus according to TAS 19, "Employee Benefits", Seniority incentive bonus provision which is disclosed within the employee termination benefit represents the present value of the estimated total reserve of the probable future obligations (Note 18).

Unused vacation rights

Liabilities arising from unused vacations of the employees are accrued in the period when the unused vacations are qualified.

3.13 Current and deferred tax

Tax expense or income is the aggregate of current income tax and deferred taxes which are based on the gains and losses for the period.

The Group is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Company regarding the current period operating results. The Corporate Tax Law was amended with the law no. 5520 dated 13 June 2006. Many provisions of the said new Corporate Tax Law No. 5520 came into effect as of 1 January 2006.

The corporate tax rate in Turkey is 20% according to Article 32 of the Corporate Tax Law. However, in accordance with the Law No. 7456 "Law on the Issuance of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6.2.2024 and Amendments to Certain Laws and Decree Law No. 375", which entered into force after being published in the Official Gazette on 15 July 2023, the corporate tax rate has been set as 25% to be applied to corporate income for 2023 and the following taxation periods. (30% for banks, companies within the scope of Law No. 6361, electronic payment, and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies).

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions (association earnings exception, investment allowance exception, etc.) and deductions (such as R&D deduction) in tax laws. If the profit is not distributed, no further tax is payable (except for the investment incentive withholding tax of 19.8%, which is calculated and paid over the benefited exception amount in case there is an investment incentive exemption that can be used within the scope of the Income Tax Provisional Article 61).

There is no withholding tax on profit shares (dividends) paid to non-resident companies that receive dividends through a workplace or their permanent representative in Turkey and to full-payer companies in Turkey Dividend payments made to persons and entities other than these (except for the cases specified in Double Taxation Agreements) are subject to withholding tax at a rate of 15% (With the Presidential Decree No. 9286 published in the Official Gazette dated December 22, 2024, the dividend withholding tax rate was increased from 10% to 15%). Addition of profit to capital is not considered as profit distribution.

With Law No. 7524, the domestic minimum corporate tax regulation has entered into force to be applied to the profits obtained in 2025 and the following taxation periods. The relevant regulation will be applied to the profits obtained in the accounting periods starting from January 1, 2025. It has no effect on the current period tax expense in the financials dated December 31, 2024.

Profits from real estate investment trust activities of Akmerkez, a subsidiary of the Group, and Akiş, one of its subsidiaries, are exempt from corporate tax as per paragraph (1)/d-4 of Article 5 of the Corporate Tax Law. With Law No. 7524, certain conditions have been introduced for the corporate tax exemption to be applied to the profits of REITs as of January 1, 2025. Accordingly, if at least 50% of the profits obtained from real estate are distributed as dividends, the tax rate applied to corporate profits will be applied as 10%. For this reason, the tax rate of 30% valid for undistributed profits is used in the calculation of period taxes and deferred tax assets and liabilities.

Corporate taxpayers calculate provisional tax at the tax rate determined over their quarterly financial profits and declare and pay it until the 17th day of the second month following that period. With the Law No. 7338 published in the Official Gazette dated 26 October 2021 and numbered 31639, the 4th provisional taxation period was abolished to be applied starting from the declarations to be submitted for the taxation period of 2022.

The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or deducted from tax liabilities. Corporate tax is declared until the evening of the last day of the fourth month following the month in which the accounting period is closed and is paid within the same period.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be offsetted from last year's profits.

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With the Decision on Amendment of the Exemption Rate in Subparagraph (e) of the First Paragraph of Article 5 of the Corporate Tax Law No. 5520 dated 27 November 2024 (Decision No. 9160), the exemption rate of the profits arising from the sale of participation shares, founder shares, usufruct shares and pre-emption rights that have been in the assets of institutions for at least two full years, in accordance with subparagraph (e) of the first paragraph of Article 5 of the Corporate Tax Law, has been reduced from 75% to 50% as of the date of publication of the Decision. As of the Law No. 7456, which entered into force after being published in the Official Gazette dated 15 July 2023, 25% of the gains arising from the sale of immovables (real estates) are exempt from corporate tax for the immovables included in the assets of the corporations before the effective date of the Law. The exemption for transfers and deliveries realized through the sale of immovables acquired after 15 July 2023, the date of publication of the Law, which have been in the assets of the corporations for at least two full years, has been abolished.

According to the 4th paragraph of article 32/A added to the Corporate Tax Law No. 5520 with Article 9 of the Law No. 5838, if the income obtained can be determined by tracking it in separate accounts within the framework of the enterprise integrity, the discounted rate is applied to this income. If the income cannot be determined separately, the income to which the discounted rate will be applied is determined by dividing the investment amount made by the total fixed asset amount registered in the assets of the institution (including the amounts belonging to the ongoing investments) at the end of the period. During this calculation, the recorded value of the fixed assets in the operating assets are taken into account with their revalued amounts. The reduced rate application starts from the temporary tax period when the investment is partially or fully operational.

Pursuant to paragraph (A) of the duplicate Article 298 and provisional Article 33 of the Tax Procedure Law No. 213, the procedures and principles of the financial statements to be subject to inflation adjustment at the end of the 2023 accounting period and in the following accounting periods (including temporary tax periods) depending on the realization / existence of the correction conditions and the procedures and principles of the correction transactions to be made were determined by the General Communiqué on Tax Procedure Law No. 555 published in the Official Gazette dated 30.12.2023 and numbered 32415. In accordance with the provisional article 33 of the Tax Procedure Law, the financial statements for the 2023 and 2024 accounting periods are subject to inflation adjustment within the framework of the procedures and principles determined within the framework of the provisions of the aforementioned article and paragraph (A) of the repeated article 298 of the same Law. However, corporate tax for the year 2024 will be calculated according to the balance sheet before inflation adjustment. The profit/loss difference arising from inflation adjustment will be recognized in retained earnings and is not subject to corporate tax. Deferred tax is calculated using the balance sheet liability method using tax rates enacted at the balance sheet date.

With Law No. 7524, Global Minimum Supplementary Corporate Tax regulations (Pillar 2) were adopted for multinational enterprises operating in more than one country within the scope of OECD Pillar 2 applications and having consolidated revenues of 750 million Euros and above and entered into force in Turkey as of the 2024 accounting period. In multinational enterprises within the scope of OECD Pillar 2 rules, if the effective tax rate calculated according to certain criteria based on financial statements prepared in accordance with international accounting standards for companies within the scope determined in each country of operation remains below 15%, an additional tax liability is foreseen to arise in such a way that the relevant rate will be rounded up to 15%. Regarding the Group falling within the scope of the regulation in line with the determined criteria, the effects on the Group's financial position and performance have been evaluated as per the studies conducted within the framework of OECD Pillar 2 Model Rules and it is not expected to have a significant impact.

Deferred tax is the tax effect of temporary differences between the values of assets and liabilities reflected in the financial statements and tax bases, and is reflected for financial reporting purposes.

Deferred tax asset to the extent that a financial profit can be generated in the future where these timing differences can be used; All deductible temporary differences are recognized for unused incentive amounts and carried tax losses for prior periods. Deferred tax asset is reviewed in each balance sheet period and in cases where it is not possible to generate sufficient financial profit for future use of deferred tax asset, its carrying value in the balance sheet is reduced. Deferred tax amounts related to income and expense items accounted under equity account are followed under equity account.

In the calculation of deferred tax assets and liabilities, the tax rates that will be valid on the dates that the Group considers that these temporary differences can be used (based on the rates that have entered into force or are finalized as of the balance sheet date) are used. In each balance sheet period, the Group reviews its deferred tax assets and accounts for the possibility of future deductibility (Note 30).

In the financial statements dated 31 December 2024, deferred tax assets and liabilities are calculated with a tax rate of 25% for the taxable portion of the temporary differences (31 December 2023: 25%).

3.14 Events after the balance sheet date

The Group adjusts the amounts recognised in its financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements (Note 33).

3.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate (Note 17).

3.16 Contingent assets and liabilities

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs (Note 17).

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3.17 Business combinations

Business combinations are accounted in accordance with TFRS 3, "Business Combinations". Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. If the purchase amount is less than the fair value of provisions, contingent assets and liabilities, the subjected difference is identified with income statement (Note 16).

Changes in Ownership Interests

The Group applies a policy of treating transactions with non-controlling interests that do not result in loss of control, as transactions with owners of the parent. In a purchase transaction with non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. In a sale transaction with non-controlling interests, the difference between fair value of any proceeds received and the relevant share of non-controlling interests are also recorded in equity. Consequently, gains or losses on disposals to non- controlling interests are not accounted for in the consolidated statement of comprehensive income.

3.18 Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish Lira, which is the functional currency of Akkök.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated into TRY at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of comprehensive income.

3.19 Derivative financial instruments

Derivative financial instruments are initially recognized at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The derivative instruments of the Group mainly consist of interest rate swap and forward foreign exchange purchase and sale transactions. These derivative transactions, even though providing effective economic hedges under the Group risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the consolidated financial statements and fair value difference of these derivatives are accounted for under consolidated income statements. Derivatives of the Group which qualified for hedge accounting under specific rules are measured using the methods stated as below:

Cash Flow Hedge

Hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss are designated as cash flow hedges by the Group. Changes in the fair value of derivatives, designated as cash flow hedges and qualified as effective, are recognized in equity as "hedging reserves". Where the forecasted transaction or firm commitment results in the recognition of an asset or of a liability, the gains and losses previously recognized under equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts recognized under equity are transferred to the consolidated income statement in the period in which the hedged firm commitment or forecasted transaction affects the consolidated income statement.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gains or losses previously recognized in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

3.20 Statement of cash flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Group generated from operations. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (capital expenditures and financial investments). Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Cash and cash equivalents include investments in which cash and bank deposits are highly liquid, short- term and readily convertible into cash with a maturity of 3 months or less (Note 5).

3.21 Government grants

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions. Government grants relating to costs are recognised in the statement of comprehensive income by deducting from research and development expenses. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are recognized in the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

3.22 Paid in share capital

The shareholders are classified as share capital. The share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings (Note 23).

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3.23 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes:

a) initial direct costs incurred,

b) lease payments made at or before the commencement date less any lease incentives received,

c) all initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences, consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the date the lease actually starts:

(a) Fixed payments,

(b) Variable lease payments that depend on an index or a rate,

(c) Amounts expected to be paid under residual value guarantees

(d) The exercise price of a purchase option reasonably certain to be exercised by the Group and

(e) Payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable, the Group determines the alternative borrowing interest rate at the date of the revaluation.

After the effective date of the lease, the Group measures the lease obligation as follows:

(a) Increase the carrying amount to reflect the interest on the lease obligation, and

(b) Decreases book value to reflect rental payments.

In addition, in the situation of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements according to TFRS, necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

a) Fair values of investment property

The Group has determined the fair values of investment properties and disclosed them in Note 12.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as discounted cash flow projections.

b) Deferred income tax assets

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised (Note 30).

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c) Useful lives of property, plant and equipment and intangible assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. Useful lives of property, plant and equipment, rely on best estimates of management, these estimates are reviewed balance sheet dates and if necessary, adjustments are made (Note 13 and 14).

d) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of the obligation (Note 17).

Provisions for doubtful receivables reflect the amounts that the Group management believes will cover the future losses of the receivables that exist as of the statement of financial position date but have the risk of being uncollectible within the current economic conditions. The Group management also evaluates the opinions of its legal advisors regarding the receivables that have been the subject of lawsuits. When assessing whether the receivables are impaired or not, the past performance of the debtors other than the related parties and key customers, their credibility in the market, their performance from the date of the statement of financial position until the date of approval of the financial statements and the renegotiated conditions are also considered. In addition to the collaterals held as of the balance sheet date, the collaterals obtained during the period until the approval date of the financial statements are also taken into consideration while determining the provision amount (Note 9).

e) Income taxes

Subsidiaries, joint ventures and associates of the Group are subject to income tax and various tax legislations. The group performs the accounting of liabilities related to the taxes expected based on the assumption of whether additional tax will be paid or not. If the tax amount reached as a result of these is significantly different from the amount first entered to the book, these differences may affect the provision of income tax and deferred taxes related to that period (Note 30).

NOTE 5 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2024 and 2023 is presented below:

	31 December 2024	31 December 2023
Cash on hand	6,338	2,683
Banks	6,743,431	10,151,364
- demand deposits	413,502	1,591,061
- time deposits	6,329,929	8,560,303
Other	256,702	7,282
Total	7,006,471	10,161,329

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The reconciliation between cash and cash equivalents in the consolidated statement of financial position and the consolidated statements of cash flows as of 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Cash and cash equivalents	7,006,470	10,161,329
Less: restricted deposits	(126,747)	(152,710)
Less: interest accruals	(156,441)	(23,974)
Cash and cash equivalents	6,723,282	9,984,645

Interest rate of time deposits with maturities less than 3 months at 31 December 2024 and 2023 are as follows:

	31 December 2024		31 December 2023	
	Time Deposit	Interest rate (%)	Time Deposit	Interest rate (%)
USD	1,664,549	1.96	4,282,167	2.95
EUR	1,113,072	1.08	894,086	1.80
TRY	3,552,308	47.9	3,384,050	40.2
Total	6,329,929		8,560,303	

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NOTE 6 - FINANCIAL INVESTMENTS

	31 December 2024	31 December 2023
Bank deposits with maturities over three months (*)	271,213	298,036
Stocks and bonds	424,283	225,103
Currency protected deposits	-	1,118,815
Other financial investments measured at fair value through profit or loss	-	128
Currenct financial investments	695,496	1,642,082
Other financial investments measured at fair value through profit or loss	11,445	-
Financial investments measured at fair value through other comprehensive income	156,693	52,712
Bonds with maturities over one year	128,857	58,972
Financial investments not included in the scope of consolidation (**)	537	537
Non-currenct financial investments	297,532	112,221
Total	993,028	1,754,303

(*) Bank deposits are blocked by banks related to borrowings and rent receivables of subsidiaries of the Group.
(**) Currency Protected TRY Time Deposit Account is a deposit product that offers foreign exchange protection in case the exchange rate in TRY increases more than the interest rate at the end of maturity. Currency protected deposit accounts are accounted for as financial assets at fair value through profit or loss.
(***) Financial investments that are excluded from the scope of consolidation are excluded on the grounds of immateriality. As these shares do not have quoted market price in an active market, they are carried at cost, adjusted for inflation accounting.

Financial investments measured at fair value through other comprehensive income:	(%)	31 December 2024	(%)	31 December 2023
FibreCoat, Inc.	2.3	47,021	-	-
One.five GmbH	2.1	36,011	-	-
Navlungo Lojistik ve Teknoloji A.Ş	<1	24,351	<1	22,919
ExoMatter GmbH	<1	16,900	-	-
Yapı ve Kredi Bankası A.Ş.	<1	6,675	<1	5,642
Other	<1	15,553	<1	8,661
Total		156,693		52,712

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Financial investments not included in the scope of consolidation:	31 December 2024	31 December 2023
Akhan Bakım Yönetim Servis Hizmet Ticaret A.Ş.	283	283
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	254	254
Total	537	537

Movements of financial investments measured at fair value through other comprehensive income for the periods ended 31 December 2024 and 2023 are as follows:

Movements of financial investments measured at FVTOCI:

	2024	2023
1 January	52,712	65,030
Additions	103,576	6,819
Change in fair value	695	(2,678)
Disposals	(290)	(16,459)
31 December	156,693	52,712

NOTE 7 - INVESTMENTS ACCOUNTED USING THE EQUITY METHOD

	31 December 2024	31 December 2023
DowAksa	2,110,644	2,504,231
Akmerkez	9,318,327	7,611,097
Akcez	858,826	961,945
WMG London	-	12,316
Akenerji	1,067,040	577,707
Total	13,354,837	11,667,296

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Movements of investments accounted using the equity method during the years ended 31 December 2024 and 2023 is as follows:

	2024	2023
1 January	11,667,296	10,195,265
Share of net profit for the period	2,305,428	1,425,305
Dividends received	(42,616)	(38,445)
Share of other comprehensive income	(398,664)	160,835
Participation to capital increase	16,502	49,743
Impairment (-)	(23,148)	(36,635)
Deferred tax effect from previous periods (*)	(121,955)	-
Effect of change in share rate	-	(14,841)
Currency translation differences	(48,006)	(73,931)
31 December	13,354,837	11,667,296

(*) In accordance with the letter titled "Reporting Tax Amounts in Real Estate Investment Partnerships and Real Estate Investment Funds" sent to real estate investment trusts by the KGK on February 12, 2025, the deferred tax liability arising from the legislative changes in the financial statements dated December 31, 2024, the effect of 2023 and before has been reflected in the profits or losses of previous years under equity, and the effect of 2024 has been reflected in the profit or loss statement.

Financial information for the investments accounted using the equity method on 31 December 2024 and 2023 are as follows:

31 December 2024	Assets	Liabilities	Revenue	Net profit/(loss) for the period
Akenerji (*)	26,331,463	21,109,288	25,484,603	2,400,881
Akcez	33,836,816	15,200,162	55,288,352	3,382,223
DowAksa	13,896,839	9,675,551	5,642,129	74,996
Akmerkez	8,659,564	1,337,939	783,498	524,405
WMG London	271,582	436,066	27,166	(2,336)

31 December 2023	Assets	Liabilities	Revenue	Net profit/(loss) for the period
Akenerji (*)	28,492,113	25,664,776	34,177,852	7,740,987
Akcez	30,308,100	15,085,705	65,796,808	1,848,326
DowAksa	17,301,185	12,292,724	6,487,071	300,329
Akmerkez	8,250,912	50,192	720,282	716,910
	658,461	590,639	-	(165,309)

(*) Akenerji's total assets and liabilities in the consolidated financial statements, which it has accounted for with the re-evaluated amounts of its tangible fixed assets, are TL 34,755,172 and TL 21,109,287, respectively (31 December 2023: TL 46,128,535 and TL 26,231,382).

As of 31 December 2024 and 2023, market capitalization of the Group's investments accounted for using the equity method are presented below:

31 December 2024	Total market capitalization	Group's share
Akenerji	9,610,382	1,963,401
Akmerkez GYO	8,369,494	981,742
Total	17,979,876	2,945,143

31 December 2023	Total market capitalization	Group's share
Akenerji	4,505,812	920,537
Akmerkez GYO	6,935,000	813,475
Total	11,440,812	1,734,012

NOTE 8 - RELATED PARTY DISCLOSURES

a) Trade receivables from related parties

The details of trade receivables from related parties as at 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
DowAksa (*)	1,015,983	969,124
Akenerji (*)	169,685	202,489
Akcez (*)	60,373	21,484
Other	51,698	61,799
Total	1,297,739	1,254,896

b) Non-current other receivables from related parties

	31 December 2024	31 December 2023
Akiş Mudanya Adi Ortaklığı (**)	75,681	55,566
Total	75,681	55,566

(*) Joint ventures.
(**) Other long-term receivables from Akiş-Mudanya Ordinary Partnership ("Ordinary Partnership") will arise from the amounts paid by the Company to Ordinary Partnership based on the flat-for-floor agreements made by Ordinary Partnership.

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c) Short-term other payables from related parties

	31 December 2024	31 December 2023
Akcez(*)	1,174,834	1,086,791
Total	1,174,834	1,086,791

The Group's other receivables from Akcez amounting to USD 33,300 thousand (31 December 2023 : USD 25,300) principal amounts, all of which are short term and interest is calculated on them.

d) Short-term trade payables due to related parties

	31 December 2024	31 December 2023
DowAksa (*)	41,483	141,923
Yalkim OSB	34,071	40,711
Akcez (*)	22,122	29,354
Akhan (***)	5,750	11,062
Other	15,047	20,987
Total	118,473	244,037

e) Sales to related parties

	1 January - 31 December 2024	1 January - 31 December 2023
DowAksa (*)	1,631,282	1,942,159
Akenerji (*)	291,735	399,878
Akcez (*)	189,809	185,797
Yalkim OSB (**)	169,133	160,350
Akgirişim	-	14,404
Other	50,640	96,181
Total	2,332,599	2,798,769

(*) Joint ventures.
(**) Consists of the right usage fee reflected to the Group for the common treatment facility within Yalkim OSB.
(***) Financial investments excluded from the scope of consolidation.

f) Service and product purchases from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Akcez [*]	767,655	567,388
Yalkim OSB [***]	318,968	456,805
Akhan [****]	81,946	66,985
Akenerji [*]	36,875	96,041
Akgirişim [**]	-	72,695
Other	28,428	22,507
Total	1,233,872	1,282,421

Purchases from related parties consist of energy, chemical products, services, consultancy and rent expenses.

g) Interest income from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Akcez[*]	108,169	11,477
Akiş Mudanya Adi Ortaklığı	33,478	16,533
Total	141,647	28,010

h) Key management compensation

The Group has determined the key management personnel as the members of the board of directors and executive committee members,

	1 January - 31 December 2024	1 January - 31 December 2023
Key management compensation	200,416	207,981
Total	200,416	207,981

[*] Joint ventures.
[**] Mainly consists of investments made in Aksa production facilities.
[***] Consists of the right usage fee reflected to the Group for the common treatment facility within Yalkim OSB.
[****] Financial investments excluded from the scope of consolidation.

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

a) Trade receivables from third parties

	31 December 2024	31 December 2023
Trade receivables	7,079,089	7,641,557
Cheques and notes receivable	1,221,787	1,647,366
Less: provision for doubtful receivables	(395,410)	(187,153)
Less: unearned credit finance income	(14,345)	(8,183)
Subtotal	7,891,121	9,093,587
Trade receivables from related parties (Note 8)	1,297,739	1,254,896
Total	9,188,860	10,348,483

Maturity of trade receivables of the Group is generally less than three months (2023: less than three months). The past experience of the Group in collecting receivables has been taken into consideration when determining the provision amount for doubtful receivables. Therefore, the Group believes that, there is no additional collection risk for trade receivables is necessary other than the provision provided.

b) Long-term trade receivables

	31 December 2024	31 December 2023
Customers	-	48,409
Notes receivables and cheques	-	307,931
Less: provision for doubtful receivables	-	(180,625)
Less: unearned financial income	-	(45,972)
Total	-	129,743

Movements of provision for doubtful trade receivables for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
1 January	367,778	485,034
Monetary (gain)/loss, net	(141,148)	(207,093)
Collections and reversal of provisions	(35,311)	(14,696)
Uncollectible receivables	(8,400)	(116,403)
Allowance for the period	211,414	206,471
Effect of business acquisitions	-	12,060
Currency translation differences	1,077	2,405
31 December	395,410	367,778

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c) Short-term trade payables

	31 December 2024	31 December 2023
Suppliers	6,693,338	8,475,288
Less: unincurred financial expenses (-)	(24,853)	(33,653)
Subtotal	6,668,485	8,441,635
Trade payables to related parties (Note 8)	118,473	244,037
Total	6,786,958	8,685,672

d) Long-term trade payables

	31 December 2024	31 December 2023
Suppliers	10,925	16,048
Total	10,925	16,048

NOTE 10 - INVENTORIES

	31 December 2024	31 December 2023
Complete and incomplete residence	602,926	602,926
Raw materials	2,560,546	2,933,038
Finished goods	2,747,345	2,948,649
Goods in transit	1,418,031	1,846,903
Other inventories and spare parts	885,580	761,372
Semi-finished goods	141,142	327,566
Trade goods	126,631	122,061
Less: provision for impairment in inventories [*]	(244,220)	(134,801)
Total	8,237,981	9,407,714

[*] The provision for inventory impairment consists of the first item, materials and products.

The movements of the provision for inventories within the accounting periods ending on 31 December 2024 and 2023 are as follows.

	2024	2023
1 January	134,801	282,148
Inflation effect	(18,706)	(5,893)
Allowances utilized	(10,194)	(191,259)
Charge for the period	138,319	49,805
31 December	244,220	134,801

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NOTE 11 - PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2024	31 December 2023
Current prepaid expenses:		
Advances given	261,390	408,675
Prepaid expenses	233,058	385,388
Total	494,448	794,063
Non-current prepaid expenses:		
Advances given[*]	905,355	1,366,562
Prepaid expenses for the year	154,211	59,505
Total	1,059,566	1,426,067

[*] Long-term order advances are mainly related to epoxy plant investment and Beykoz Lands in project form.

	31 December 2024	31 December 2023
Short-term deferred income:		
Advances received	324,287	1,303,822
Deferred income	275,862	364,691
Total	600,149	1,668,513
Long-term deferred income:		
Advances received	134	4,773
Deferred income for the year	-	32
Total	134	4,805

NOTE 12 - INVESTMENT PROPERTIES

	1 January 2024	Additions	Disposals	Transfers[*]	Currency translation differences	Increase/ Decrease in fair value	1 December 2024
Land and buildings	33,045,301	11,487	-	-	(3,297)	4,074,223	37,127,714
Net book value	33,045,301	11,487	-	-	(3,297)	4,074,223	37,127,714

	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	Increase/ Decrease in fair value	1 December 2023
Land and buildings	30,271,755	3,570	(96,350)	-	(2,649)	2,868,975	33,045,301
Net book value	30,271,755	3,570	(96,350)	-	(2,649)	2,868,975	33,045,301

[*] Akasya AVM Independent Section 59 was sold in January 2023, and Independent Sections 104 and 183 were sold in December 2023.

Fair values of investment properties;

The important evaluations, estimates and assumptions used in determining the fair value of the real estate classified as investment property in the consolidated financial statements are explained below.

Akbatı AVM

As of 31 December 2024, Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş. ("Lotus") appraisal report has been taken into account and the fair value of Akbatı AVM has been determined as TRY9,140,000 using the income reduction approach in the related report (31 December 2023: TRY8,352,799).

	Discount rate	Capitalization ratio
31 December 2024	20%	7%

The rent increase rate estimates made by the independent valuation company for the year-end valuation of Akbatı AVM vary for each year.

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Akasya AVM

As of 31 December 2024, Reel Gayrimenkul Değerleme A.Ş. ("Reel") appraisal report has been taken into account and the fair value of Akasya AVM has been determined as TRY14,390,000 using the income reduction approach in the related report (31 December 2023: TRY13,639,803).

	Discount rate	Capitalization ratio
31 December 2024	20%	7%

The rent increase rate estimates made by the independent valuation company for the year-end valuation of Akasya AVM vary for each year.

Erenköy

As of 31 December 2024, Reel Gayrimenkul Değerleme A.Ş. ("Reel"), the appraisal report was taken into account and the fair value of the Erenköy project was determined as TRY2,113,800 (31 December 2023: TRY2,108,176) using the income reduction approach in the report.

If there is a 0.5% increase/decrease in the discount rates of investment properties, whose fair value is calculated using the income discount approach, and all other variables remain constant, the profit would be lower by TRY982,472 and higher by TRY1,030,153, respectively (31 December 2023: TRY860,916 less, TRY887,203 would be more). As of 31 December 2024 and 2023, the sensitivity analysis of investment properties calculated using the income discount approach is as follows:

31 December 2024	Discount ratio	Sensitivity analysis	Gain effect on fair value	Loss effect on fair value
Akasya	20%	0.5%	700,000	(670,000)
Akbatı	20%	0.5%	270,000	(250,000)
Erenköy	20%	0.5%	60,153	(62,472)

31 December 2023	Discount ratio	Sensitivity analysis	Gain effect on fair value	Loss effect on fair value
Akasya	24%	0.5%	577,515	(563,077)
Akbatı	24%	0.5%	245,444	(231,006)
Erenköy	23%	0.5%	64,244	(66,833)

[*] For the year-end valuation of the Erenköy project, a discount rate was used by the independent valuation company, which changed in parallel with the inflation over the years and was predicted by adding a certain risk premium on inflation.

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The fair value of the investment properties as of 31 December 2024 has been determined by an independent real estate appraisal expert as TRY37,127,714 (2023: TRY33,045,301). The total fair value determined was determined as level 2.

	Used Method	Level	31 December 2024	31 December 2023
Akasya Shopping Mall	Discounted cash flow method	2	23,890,000	20,776,105
Akbatı Shopping Mall	Discounted cash flow method	2	9,140,000	8,532,785
Erenköy	Discounted cash flow method	2	2,113,800	2,108,176
Akhan	Pretend comparison method	2	106,565	285,481
Social facility	Pretend comparison method	2	163,590	161,473
Yalova-Çiftlikköy land and buildings	Pretend comparison method	2	22,142	24,248
Other	Pretend comparison method	2	1,691,617	1,157,033
Total			37,127,714	33,045,301

As of 31 December 2024, there are guarantees, pledges and mortgages amounting to USD203,273 thousand and TRY1,451,000 on the Group's debts on investment properties (31 December 2023: USD203,273 and TRY2,094,939).

As of 31 December 2024, there is TRY30,170,942 insurance guarantee on investment properties (2023: TRY30,404,064).

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NOT 13 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 December 2024 are as follows:

	1 January 2024	Additions	Disposals	Transfers(*)	Currency translation differences	31 December 2024
Cost						
Land and land improvements	4,728,089	911,798	(276)	64,034	-	5,703,645
Buildings	7,294,887	7,138	-	1,201,677	-	8,503,702
Machinery and equipment	40,392,707	19,785	(5,559)	2,655,350	(42,611)	43,019,672
Motor vehicles	133,691	5,589	(3,209)	-	(26,651)	109,420
Furniture and fixtures	2,520,995	118,844	(9,801)	82,699	(107)	2,712,630
Leasehold improvements	165,962	10,769	-	138	(739)	176,130
Construction in progress (**)	3,427,232	7,121,157	(22,193)	(4,103,859)	(2,444)	6,419,893
Total	58,663,563	8,195,080	(41,038)	(99,961)	(72,552)	66,645,092
Accumulated depreciation						
Land and land improvements	1,595,122	95,894	-	-	-	1,691,016
Buildings	2,283,091	187,545	-	-	(6,125)	2,464,511
Machinery and equipment	24,926,139	2,292,643	(5,481)	-	(15,849)	27,197,452
Motor vehicles	47,292	15,120	(1,750)	-	(179)	60,483
Furniture and fixtures	1,648,947	162,842	(8,383)	-	(1,983)	1,801,423
Leasehold improvements	108,183	12,916	(13)	-	(48)	121,038
Total	30,608,774	2,766,960	(15,627)	-	(24,184)	33,335,923
Net book value	28,054,789					33,309,169

(*) The transfer of TRY99,961 was made from intangible assets to tangible assets.
(**) Construction in progress is mainly comprised of modernization of production facilities, power plant investments and press and cutting unit modernization investments of Aksa, Epoxy, Nazilli facility improvement works, electrolyzer membrane works and maintenance investments of Akkim.

The breakdown of depreciation expense for the years ended 31 December 2024 and 2023 is disclosed in Note 28.

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The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 December 2023 are as follows:

	1 January 2023	Additions	Disposals	Transfers[*]	Currency translation differences	Subsidiary out[**]	31 December 2023
Cost							
Land and land improvements	4,515,622	26,989	(4,380)	189,858	-	-	4,728,089
Buildings	6,772,755	20,529	-	501,603	-	-	7,294,887
Machinery and equipment	37,488,090	55,229	(69,106)	2,919,339	(845)	-	40,392,707
Motor vehicles	125,816	5,961	(23,157)	24,166	(846)	1,751	133,691
Furniture and fixtures	2,396,229	76,967	(5,075)	49,223	(429)	4,080	2,520,995
Leasehold improvements	162,812	2,089	-	650	-	411	165,962
Construction in progress [**]	2,205,102	4,960,367	(992)	(3,737,115)	(130)	-	3,427,232
Total	53,666,426	5,148,131	(102,710)	(52,276)	(2,250)	6,242	58,663,563
Accumulated depreciation							
Land and land improvements	1,505,474	89,648	-	-	-	-	1,595,122
Buildings	2,123,903	159,188	-	-	-	-	2,283,091
Machinery and equipment	22,993,706	1,989,504	(57,728)	-	657	-	24,926,139
Motor vehicles	41,164	17,538	(11,872)	-	38	424	47,292
Furniture and fixtures	1,496,498	154,904	(3,724)	-	85	1,184	1,648,947
Leasehold improvements	97,695	10,081	-	-	-	407	108,183
Total	28,258,440	2,420,863	(73,324)	-	780	2,015	30,608,774
Net book value	25,407,986						28,054,789

[*] Transfers of TRY52,276 were made from tangible assets to intangible assets.
[**] Construction in progress is mainly comprised of modernization of production facilities, power plant investments and press and cutting unit modernization investments of Aksa, Epoxy, Nazilli facility improvement works, electrolyzer membrane works and maintenance investments of Akkim.

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NOTE 14 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated depreciation for the period ended 31 December 2024 and 2023 are as follows:

	1 January 2024	Additions	Disposals	Transfers[*]	Currency translation differences	31 December 2024
Cost						
Rights	2,156,225	92,342	(623)	4,956	1,342	2,254,242
Development costs	1,427,406	366,600	-	89,060	-	1,883,066
Other	446,352	12,726	-	5,945	-	465,023
Customer list	2,515,594	-	-	-	8,623	2,524,217
Total	6,545,577	471,668	(623)	99,961	9,965	7,126,548
Accumulated amortisation						
Rights	1,019,852	72,521	-	-	893	1,093,266
Development costs	651,888	192,558	-	-	-	844,446
Other	192,907	15,717	-	-	-	208,624
Customer list	538,434	181,166	-	-	9,946	729,546
Total	2,403,081	461,962	-	-	10,839	2,875,882
Net Book Value	4,142,496					4,250,666

	1 January 2023	Additions	Disposals	Transfers[*]	Subsidiary out	Currency translation difference	31 December
Cost							
Rights	2,105,612	33,938	-	2,326	196	14,153	2,156,225
Development costs	1,026,659	356,027	-	44,720	-	-	1,427,406
Other	434,506	4,858	-	5,231	1,757	-	446,352
Customer list	2,478,642	-	-	-	-	36,952	2,515,594
Total	6,045,419	394,823	-	52,277	1,953	51,105	6,545,577
Accumulated amortisation							
Rights	941,368	67,780	-	-	108	10,596	1,019,852
Development costs	431,413	220,475	-	-	-	-	651,888
Other	182,023	10,517	-	-	367	-	192,907
Customer list	335,488	191,732	-	-	-	11,214	538,434
Total	1,890,292	490,504	-	-	475	21,810	2,403,081
Net Book Value	4,155,127						4,142,496

[*] Transfers are due to reclassifications from tangible assets.

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NOTE 15 – RIGHT OF USE ASSETS

The movements of right of use assets and related accumulated depreciation for the period ended 31 December 2024 and 2023 are as follows:

	1 January 2024	Additions	Disposals	Rental condition changes	31 December 2024
Cost:					
Vehicles	481,063	93,435	(63,423)	-	511,075
Site rent	132,552	87,697	-	(5,236)	215,013
Buildings	174,184	3,323	(4,153)	-	173,354
Other	-	14,742	-	-	14,742
	787,799	199,197	(67,576)	(5,236)	914,184
Accumulated depreciation					
Vehicles	221,748	154,297	(23,721)	-	352,324
Site rent	16,713	18,841	-	-	35,554
Buildings	104,571	19,700	(4,153)	-	120,118
Other	-	1,228	-	-	1,228
	343,032	194,066	(27,874)	-	509,224
Net book value	444,767				404,960

	1 January 2023	Additions	Disposals	Rental condition changes	31 December 2023
Cost					
Vehicles	469,265	95,905	(98,432)	-	481,063
Site rent	107,194	9,412	(8,905)	24,851	132,552
Buildings	165,570	43,637	(35,023)	-	174,184
	742,029	148,954	(142,360)	24,851	787,799
Accumulated depreciation					
Vehicles	206,687	104,187	(91,861)	-	221,748
Site rent	14,650	10,140	(8,077)	-	16,713
Buildings	96,705	32,597	(24,731)	-	104,571
	318,042	146,924	(124,669)	-	343,032
Net book value	423,987				444,767

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NOTE 16 - GOODWILL

	31 December 2024	31 December 2023
Akcoat	549,530	549,530
Akgirişim	484,563	484,563
USK Kimya	454,769	454,769
Akkim Europe	12,227	20,526
Epsilon	4,158	4,158
Other	4,295	4,295
	1,509,543	1,517,841

The movements of goodwill for the periods ended 31 December 2024 and 2023 are as follows:

	2024	2023
Net book value - 1 January	1,517,841	1,041,700
Additions	-	484,563
Currency translation differences	(8,298)	(8,422)
Net book value - 31 December	1,509,543	1,517,841

Impairment test for goodwill:

On 5 January 2015, the Akkim, a subsidiary of the Group, acquired 100% shares of Akcoat. On 22 May 2015, the Akiş, a subsidiary of the Group, acquired 100% shares of Karlıtepe. Akkim, a subsidiary of the Group, acquired a 100% share of Dinox on 15 February 2017 for a consideration of EUR3,750 thousand. On 3 November 2018 the remaining 50% shares of Akferal was acquired by Akkim from the FERALCO AB by for a consideration of TRY61,903 thousand. Akcoat, a subsidiary of the Group, acquired 100% shares of Akcoat Spain on 22 November 2017 for a consideration of EUR7,002 thousand. Akkim completed its legal merger as of 31 May 2023 by acquiring all of the shares of USK Kimya Anonim Şirketi ("USK Kimya") for USD 63,000 thousand on March 1, 2022. On September 30, 2021, Akkök purchased 10.2% of the shares of Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş. ("Epsilon") for TRY98,921 thousand. The difference between the total purchase price, fair value of acquired net assets and resulting goodwill in the consolidated financial statements.

The Group tests whether goodwill has suffered any impairment on an annual basis. The Group, considers the carrying value of its investment in USK Kimya, Akcoat, Dinox, and Akcoat Spain for possible impairment in every reporting period. The impairment analysis cannot be performed by considering market data since related financial asset has not active market and the Company management has to make significant estimations.

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Akcoat;

On 5 January 2014, the Group acquired 100% shares of Akcoat. Akcoat is a producer of performance coatings and pigments. The products are being used for the decorative and protective purpose in coating of the materials such as metal sheet, stainless steel, aluminium, cast iron, ceramic tile, sanitary ware, porcelain, medical porcelain and glass. Additionally, these materials are being colorized by inorganic pigments which are also manufactured by Akcoat. The acquisition transaction is accounted in the consolidated financial statements of Akkim by the acquisition method in accordance with TFRS 3 "Business Combinations". As a result of the related accounting, a goodwill amounting to TRY549,257 thousand is accounted in the consolidated financial statements.

The impairment test is based on a 5-year projection between 1 January 2025 and 31 December 2029 which is approved by Akcoat management. In order to predict the future cash flows, a constant growth rate of 5.00%, not exceeding the estimated average growth rate of the country's economy, has been used. Weighted cost of capital rate of 11.4% is used as after-tax discount rate in order to calculate the recoverable amount of the unit. No impairment has been determined as a result of the analyses carried out by the Group as of 31 December 2024.

USK Kimya;

On 1 March 2021, Akkim purchased 100% of the shares of USK Kimya for USD 63,000 thousand (TRY509,338 thousand). With this acquisition, Akkim aimed to strengthen its position in the market by adding carboxymethyl cellulose ("CMC") production to its product portfolio, which is used in drilling, detergent, food, textile, cleaning and other industries. Akkim completed its legal merger with USK Kimya on 31 May 2021. As a result of the study carried out by Akkim Management using valuation experts, the customer relations assets and clean chemical production expertise ("know-how") that are not included in the financial statement of USK Kimya are reflected in the financial statements with their fair values at the acquisition date. Within the framework of the study, USK Kimya's forward-looking 5- year cash flow projections have been taken into account, using important estimates and assumptions such as return on equity, multiplier value, weighted average cost of capital ratio and growth rates. As a result of the relevant accounting, TRY454,769 thousand of goodwill were accounted.

The impairment test is based on a 5-year projection between 1 January 2025 and 31 December 2029 which is approved by Akkim management. In order to predict the future cash flows, a constant growth rate of 5%, not exceeding the estimated average growth rate of the country's economy, has been used. Weighted cost of capital rate of 12.5% is used as after-tax discount rate in order to calculate the recoverable amount of the unit. No impairment has been determined as a result of the analyses carried out by the Group as of 31 December 2024.

If the discount rate is assumed to be 1% higher, the recoverable value remains 86% above the book value of the cash-generating unit including goodwill, and there is no impairment. If the growth rate is assumed to be 1% lower, the recoverable value is calculated as 98% above the book value of the cash-generating unit including goodwill, and there is no impairment

Epsilon;

Akkök was established on September 30, 2021 by Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş. ("Epsilon") purchased 10.2% of its shares for TRY98,921 thousand. With this acquisition, the Group; manufactures high-tech composite parts for the aerospace, aerospace and defense industries. The difference between the total purchase price and the fair value of the net assets acquired is accounted for as goodwill in the consolidated financial statements.

Akgirişim;

As of May 15, 2024, Akkök acquired all of the shares of Akgirişim for TRY691,711 thousand (USD17.8 million). The difference between the total purchase price and the fair value of the net assets acquired is accounted for as goodwill in the consolidated financial statements.

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NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short term provisions:

	31 December 2024	31 December 2023
Provisions for debts and expenses	42,267	26,578
Provision for lawsuit	20,359	16,017
Total	62,626	42,595

Contingent assets and liabilities:

a) Guarantees received

Mortgages, guarantee notes and cheques, letters of guarantee and other commitments received for short- term trade receivables are as follows:

	31 December 2024	31 December 2023
Insurances on receivable	11,031,802	8,389,220
Received letters of guarantee	961,318	734,150
Received mortgages	186,835	181,591
Received notes, guarantee and cheques	542,437	216,898
Limits from direct debit systems	75,187	593,671
Other	-	213,372
Total	12,797,579	10,328,902

b) Guarantees given

Letters of guarantee, mortgages and letters of credit given by the Group are below:

	31 December 2024	31 December 2023
Mortgages given [*]	8,622,733	10,734,856
Letters of credit given	2,512,741	3,183,590
Letters of guarantee given	9,206,602	8,639,983
Total	20,342,076	22,558,429

[*] Mortgages on the Group's investment properties and unfinished residences are provided in return for the Group's debts to financial institutions.

c) Lawsuits from shareholders:

Following Akkök extraordinary general assembly meeting dated 31 October 2013 and ordinary general assembly meeting related to the year ended 2013 dated 22 April 2014 (delayed to and completed on 23 May 2014) certain shareholders began to file numerous lawsuits against the Group.

Concerning the lawsuits filed for the annulment of Akkök's extraordinary general assembly meetings dated 23 December 2015 and 14 January 2016 and for annulment of Akkök's Board of Directors decision no 4 dated 24 February 2016 regarding the exercise of the shareholder's rights to pay 50% of their share capital commitment, the Court, with an interim decision dated 28 March 2016 rejected the claimants' application for a temporary injunction. In the last hearing on 24 May 2018, the Court, by decisions subject to appeal, dismissed the cases. The applicant has appealed against the aforementioned decisions by the claimant and in the consolidated financial statements no provisions were recognized related to this claim as of 31 December 2024.

NOTE 18 - EMPLOYEE BENEFITS

Provisions for employement benefits

	31 December 2024	31 December 2023
Short term:		
Provision for bonuses	269,169	341,924
Unused vacation provision	82,877	62,425
Provision for other termination benefits	-	-
Total	352,046	404,349
Long term:		
Provision for employment termination benefits	326,823	348,534
Provision for seniority incentive plan	5,031	4,945
Total	331,854	353,479

Movements in the short-term provisions for employment termination benefits for the years ended 31 December 2024 and 2023 are as follows:

Provision for bonuses	2024	2023
1 January	341,924	367,319
Current period charges	151,614	227,941
Bonus premiums paid	(138,946)	(121,203)
Inflation effect	(85,423)	(132,133)
31 December	269,169	341,924

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Provision for unused vacation	2024	2023
1 January	62,425	69,952
Inflation effect	(22,669)	(28,455)
Charge for the year	43,121	18,498
Acquisition effect	-	2,430
31 December	82,877	62,425

Under Turkish labor law, the Company is officially required to pay the severance pay to each employee whose employment contract has expired. Also, the Company is required to pay the severance payment to employees who has the right to leave the Company by receiving severance pays according to the 2422 numbered, 6 March 1981 dated and 4447 numbered, 25 August 1999 dated Law no.506 on Social Insurance Law's 60th clause which is still effective.

The liability is not funded as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees.

TAS 19 "Employee Benefits" require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability:

	2024	2023
Discount rate (%)	4.04	3.65
Probability of retirement (%)	97.45	92.67

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised once every six months, the maximum amount of full TRY 46,655 effective from 1 January 2024 (1 January 2023: full TRY35,058.58) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

Movements in the provisions for employment termination benefits and seniority incentive bonus for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
1 January	353,479	929,041
Inflation effect	(76,554)	(169,200)
Acquisition effect	-	9,414
Compensation paid	(102,126)	(371,193)
Service cost	34,501	31,696
Interest cost	84,563	49,248
Actuarial gain	37,991	(125,527)
31 December	331,854	353,479

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NOTE 19 - OTHER ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Other current assets:		
VAT receivable	1,008,837	836,530
Income accruals	69,612	9,662
Other	110,504	8,086
Total	1,188,953	854,278

Other non-current assets:		
VAT receivable	13,115	9,823
Other	1	4
Total	13,116	9,827

	31 December 2024	31 December 2023
Other current liabilities:		
Expense accruals	26,007	62,923
Taxes and fund payables	63,556	80,019
Total	89,563	142,942

Other non-current liabilities:		
Deposits and guarantees received	3,766	4,811
Total	3,766	4,811

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NOTE 20 – MONETARY GAIN / (LOSS)

Non-monetary items	1 January- 31 December 2024
Inventories	712,494
Prepaid expenses	115,928
Financial investments	735,994
Right of Use Asset	119,889
Tangible and intangible assets	12,210,803
Investment properties	9,778,664
Deferred tax asset/liabilities	(1,657,064)
Paid-in capital	(3,926,985)
Premiums related to shares	(51,644)
Merger offsetting account	(1,225,737)
Other comprehensive income/expense to be reclassified to profit or loss	1,911,299
Other comprehensive income/expense not to be reclassified to profit or loss	1,686,651
Restricted reserves	(178,167)
Retained earnings	(24,508,785)
Total	(4,276,660)

Profit or loss statement items	1 January- 31 December 2024
Revenue	(7,129,291)
Cost of sales	9,676,776
General administrative expenses	439,272
Marketing and selling expenses	262,328
Research and development expenses	82,737
Other operating income/expenses	(118,280)
Finance income/expenses	2,607,532
Income/expenses from investment activities	(187,717)
Current income tax expense/income	916,439
Total	2,273,136

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NOTE 21 – BORROWINGS

	31 December 2024	31 December 2023
Short-term bank borrowings	8,765,749	6,316,860
Issued bonds and bills	-	433,508
Other financial liabilities	373	640
Subtotal	8,766,122	6,751,008
Short term portion of long-term bank borrowings	4,588,599	4,480,098
Lease liabilities	217,293	222,570
Total short term financial liabilities	13,572,014	11,453,676
Long-term bank borrowings	6,051,481	9,893,406
Lease liabilities	233,697	354,253
Total long term financial liabilities	6,285,178	10,247,659

The annual weighted average effective interest rates of bank loans obtained by the Group in various currencies are as follows:

	31 December 2024		31 December 2023	
	Annual weighted average interest rate %	TRY equivalent	Annual weighted average interest rate %	TRY equivalent
Short-term bank borrowings:				
USD loans	6.38	2,623,102	10.10	2,250,688
EUR loans	6.81	2,144,969	7.83	1,350,616
TRY loans	36.49	3,997,677	27.86	2,715,556
Issued bonds	-	-	29.00	433,508
Other financial liabilities	-	374	-	640
Total		8,766,122		6,751,008

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Annual weighted average effective interest rates of bank loans obtained by the Group in various currencies are as follows (continued):

	31 December 2024		31 December 2023	
	Annual weighted average interest rate %	TRY equivalent	Annual weighted average interest rate %	TRY equivalent
Short term portion of long-term bank borrowings:				
USD loans	7.43	2,007,626	6.97	1,559,068
EUR loans	7.35	2,310,183	8.07	2,349,676
TRY loans	24.87	270,790	24.33	571,354
Lease liabilities	-	217,293	-	222,570
Total		4,805,892		4,702,668
Long-term bank borrowings:				
USD loans	5.19	1,091,349	6.43	3,106,834
EUR loans	6.48	4,943,659	8.40	5,905,124
TRY loans	47.50	16,473	19.71	881,448
Lease liabilities	-	233,697	-	354,253
Total		6,285,178		10,247,659

The movement table of financial borrowings for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
1 January	21,701,335	25,700,149
Inflation effect	(6,824,015)	(11,541,395)
Cash inflow from new borrowings obtained	13,173,620	14,638,278
Cash outflows from redemption of borrowings	(10,321,160)	(13,677,050)
Change in interest accrual	368,083	329,300
Exchange rates differences	1,587,417	6,113,804
Interest paid	-	-
Effect of business acquisitions	-	12,918
Lease liabilities	171,912	125,331
31 December	19,857,192	21,701,335

The book value and fair value of the borrowings as of 31 December 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
	Fair Value	Book Value[*]	Fair Value	Book Value[*]
USD loans	5,559,127	5,722,077	7,086,194	6,916,590
EUR loans	10,873,973	9,398,811	9,758,001	9,605,416
TRY loans	4,289,957	4,284,940	4,363,600	4,168,358
Total	20,723,057	19,405,828	21,207,795	20,690,364

[*] The balance does not include the amounts of financial lease liabilities arising under TFRS 16.

The fair values of the borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy.

The repayment schedule of borrowings is as follows:

Repayments schedule:

	31 December 2024	31 December 2023
To be paid within 1 year	13,572,014	11,453,676
To be paid between 1-2 year	2,305,053	4,052,320
To be paid between 2-3 year	2,485,491	3,657,542
To be paid between 3-4 year	817,243	1,030,058
To be paid after 4 years	677,391	1,507,739
Total	19,857,192	21,701,335

At 31 December 2024, bank borrowings with floating interest rates amounts to TRY3,407,656 (2023: TRY9,503,921).

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NOTE 22 - DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2024		31 December 2023	
	Asset	Liabilities	Asset	Liabilities
Hedging instruments	6,703	-	73,121	-
Held for trading	204,396	-	34,852	36,076
Total	211,099	-	107,973	36,076

Derivatives as hedging instruments:

	31 December 2024		31 December 2023	
	Contract amount	Fair value liabilities	Contract amount	Fair value liabilities
Interest rate swaps	196,350	6,703	457,609	11,282
Cross currency swaps	418,869	-	638,011	61,839
Total	615,219	6,703	1,095,620	73,121

Derivative financial instruments are initially recognized at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The derivative instruments of the Group mainly consist of interest rate swap and forward foreign exchange purchase and sale transactions.

Hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss are designated as cash flow hedges by the Group. These derivative transactions, even though providing effective economic hedges under the Group risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives hedging derivative financial instruments in the consolidated financial sta9tements. Changes in the fair value of derivatives, designated as cash flow hedges and qualified as effective, are recognized in equity as "hedging reserves" after tax effect.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, or when a committed or forecasted, transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement. The realisation of promised or probable future transactions are recorded in the income statement, if not realised, accumulated gains or losses are recognised as income or loss in the consolidated financial statements.

As of 31 December 2024, main floating rates are EURIBOR and SOFR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 31 December 2024 will be continuously released to the income statement within finance cost until the repayment of the bank borrowings.

NOTE 23 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Capital

At 31 December 2024 and 2023 the Group's share capital and shareholding structure exceeding 1% were as follows:

	Share (%)	31 December 2024	Share (%)	31 December 2023
A.R.D Holding Anonim Şirketi	33	334,483	33	334,483
Atlantik Holding Anonim Şirketi	33	334,483	33	334,483
NDÇ Holding Anonim Şirketi	33	334,482	33	334,482
Other	1	2	1	2
Nominal capital	100	1,003,450	100	1,003,450
Adjustment to share capital		11,326,960		11,326,960
Total	100	12,330,410	100	12,330,410

The Group's authorised share capital consists of 100,345,000,000 shares each with TRY0.01 value (2023: 100,345,000,000). There are no privileges given to shares of different groups and shareholders, as of balance sheet date, the paid-in capital is TRY1,003,450.

The share capital, which was increased from TRY13,098 to TRY863,378 with the decision taken at the extraordinary general assembly meeting dated 23 December 2015, through the addition of the Company's whole internal resources to the capital (only from internal resources) pursuant to Article 462 of the Turkish Commercial Code (TCC), was increased to TRY1,003,450 with the capital increase decision taken at the extraordinary general assembly meeting held on 14 January 2016. The entire amount committed was paid in cash.

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Retained Earnings and Legal Reserves

Legal reserves consist of first and second legal reserves, calculated in accordance with the Turkish Commercial Code. The first legal reserve is calculated as 5% of the financial statutory profits per annum until the total reserve reaches 20% of the historical paid-in share capital. In accordance with Turkish Commercial Code, restricted reserves not exceeding 50% of share capital can be offset against accumulated losses but cannot be distributed.

As of 31 December 2024, and 2023, retained earnings of Akkök its stand-alone with statutory financial statements are as follows:

	31 December 2024	31 December 2023
Legal reserves	628,157	434,950
Net profit for the period	1,114,044	1,075,905
Retained earnings	7,037,454	5,475,580
Total	8,779,655	6,986,435

Informations on subsidiaries with significant non-controlling interest

Group subsidiaries with significant non-controlling interest are Akiş, Akkim, Aksa and Epsilon. Summary of the financial information of these subsidiaries are stated below:

31 December 2024	Ownership of non-controlling interest (%)	Assets	Liabilities	Revenue	Net profit/loss for the year
Akiş	85,34%	37,302,239	5,359,454	3,296,338	4,010,583
Akkim	58,00%	26,239,917	13,244,227	15,754,849	(17,166)
Aksa	59,61%	35,780,436	11,755,961	28,361,360	1,130,811
Epsilon	89,80%	918,248	461,019	487,888	(68,072)
Total		100,240,840	30,820,661	47,900,435	5,056,156

31 December 2023	Ownership of non-controlling interest (%)	Assets	Liabilities	Revenue	Net profit/loss for the year
Akiş	85,34%	34,551,698	5,339,974	3,720,866	4,848,909
Akkim	58,00%	27,109,821	14,002,607	19,564,905	5,641,263
Aksa	59,61%	36,250,588	11,936,049	34,553,624	2,387,792
Epsilon	89,80%	686,002	162,012	694,639	12,858
Total		98,598,109	31,440,642	58,534,034	12,890,822

NOTE 24 - REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2024	1 January - 31 December 2023
Local sales	29,552,845	36,980,021
Export sales	20,951,345	22,579,803
Less: sales returns (-)	(186,283)	(181,405)
Less: sales discounts (-)	(1,563,659)	(1,845,686)
Revenue, net	48,754,248	57,532,733

Net sales revenues amounted to TRY 45,708,270 at a certain point in time, and TRY 3,045,978 spread over time (January 1 – December 31, 2023: TRY 54,678,614, TRY 2,854,119, respectively).

b) Cost of sales

	1 January - 31 December 2024	1 January - 31 December 2023
Raw materials	28,029,747	31,499,309
Personnel expenses	3,202,526	2,928,187
Depreciation and amortisation expenses	2,824,522	2,458,556
Energy expenses	1,538,696	2,543,090
Shopping mall costs	610,173	550,159
Maintenance and repair expenses	514,373	569,263
Other	2,171,582	3,203,245
Total	38,891,619	43,751,809

NOTE 25 - GENERAL AND ADMINISTRATIVE EXPENSES

a) General administrative expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	1,295,180	1,154,563
Consultancy expenses	253,571	388,027
Depreciation and amortization expenses	158,030	181,265
Rent expenses	79,779	39,099
Other tax expenses	30,699	39,691
Office expenses	23,959	22,693
Other	91,867	87,173
Total	1,933,085	1,912,511

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b) Marketing expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	403,207	355,579
Commission expenses	302,740	299,532
Depreciation and amortization expenses	243,278	252,744
Transportation expenses	211,129	352,143
Export expenses	150,643	163,407
Insurance expenses	48,928	39,482
Travel expenses	16,183	15,347
Other	40,380	120,645
Total	1,416,488	1,598,879

NOTE 26 - OTHER OPERATING INCOME AND EXPENSE

a) Other operating income

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gain on commercial activities	2,799,731	6,379,673
Interest income from credit sales	255,973	262,504
Gain on sale of scraps	56,688	87,547
Provision for impairment reversal	26,857	208,691
Other	240,806	258,217
Total	3,380,055	7,196,632

b) Other operating expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange loss on commercial activities	1,947,246	4,415,676
Allowance for expected credit losses	211,415	206,471
Interest expense from credit purchases	196,114	193,362
Other	350,823	302,086
Total	2,705,598	5,117,595

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NOTE 27 - INCOME AND EXPENSE FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 31 December 2024	1 January - 31 December 2023
Increase in fair value of investment properties	4,074,223	2,868,975
Gain on sales of fixed assets	132,110	19,394
Income from sale of share from financial investments and associates	84,469	166,398
Income from currency-protected deposits	-	1,182,916
Gain on sales of subsidiary	-	111,396
Gain on sales of investment property	-	106,363
Other	10,339	53,931
Total	4,301,141	4,509,373

b) Expense from investing activities

	1 January - 31 December 2024	1 January - 31 December 2023
Impairment of WMG London	23,148	36,635
Impairment of financial assets	-	7,289
Other	1,245	2,121
Total	24,393	46,045

NOTE 28 - EXPENSES BY NATURE

Expenses classified by nature for the period of 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Raw materials and supplies	28,029,747	31,499,309
Personnel expenses	5,097,529	4,562,555
Depreciation and amortization [*]	3,422,988	3,058,291
Energy expenses	1,538,696	2,543,090
Shopping mall costs	610,173	550,159
Maintenance, repair and cleaning expenses	514,373	550,159
Other	3,472,184	4,866,945
Total	42,685,690	47,630,508

[*] As of the year ended 31 December 2024, TRY2,766,960 of depreciation and amortization is from depreciation expenses of tangible fixed assets (31 December 2023: TRY2,420,863), TRY461,962 from depreciation expenses of intangible assets (31 December 2023: TRY490,504), TRY194,066 consists of depreciation expenses of right-of-use assets (31 December 2023: TRY146,924). There are no depreciation expenses of the investments in progress as the project development costs of the incomplete project expenses (31 December 2023: none).

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Personnel expenses	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	3,202,526	2,928,187
General administrative expenses	1,295,180	1,154,563
Marketing expenses	403,207	355,579
Research and development expenses	196,616	124,226
Total	5,097,529	4,562,555

NOTE 29 - FINANCIAL INCOME AND EXPENSES

Financial income:	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	1,956,900	936,204
Foreign exchange gain	1,038,517	4,016,777
Gain from derivative financial instruments	143,601	707,874
Other	38,243	22,256
Total	3,177,261	5,683,111

Financial expenses:	1 January - 1 December 2024	1 January - 1 December 2023
Foreign exchange loss	3,825,400	6,903,685
Interest expense	3,353,664	3,219,656
Loss from derivative financial instruments	520,177	1,386,773
Other	70,296	180,090
Total	7,769,537	11,690,204
Financial expenses, net	4,592,276	6,007,093

NOTE 30 - TAXES ON INCOME

	31 December 2024	31 December 2023
Corporate and income taxes payable	611,254	1,530,544
Inflation Effect	(129,350)	(72,638)
Less: prepaid corporate income tax	(568,781)	(1,133,801)
Current income tax (assets)/liabilities, net	(86,877)	324,105

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The details of taxation on income in the statements of comprehensive income for the years ended 31 December 2024 and 2023 are as below:

	1 January - 31 December 2024	1 January - 31 December 2023
Current income tax expense	(611,254)	(1,530,544)
Deferred tax expense	(3,211,115)	811,306
Total tax expense, net	(3,822,369)	(719,238)

Deferred tax assets and liabilities

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred tax has been provided on 31 December 2024 and 2023 using the enacted tax rates is as follows:

	Temporary taxable differences		Deferred tax assets /(liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Property, plant and equipment, intangible assets and right of use assets	6,550,748	1,276,934	(1,637,687)	(319,234)
Tax benefit on unreal financing costs	1,300,856	1,977,039	325,214	494,260
Investment properties	16,772,444	1,013,941	(4,193,111)	(190,114)
Investment incentives	741,269	134,106	741,269	134,106
Derivative financial instruments	203,304	34,530	(50,826)	(8,632)
Employee benefits	331,564	353,070	82,891	88,268
Trade receivables and provisions for doubtful receivables	162,064	222,719	40,516	55,680
Inventories	625,620	975,425	(156,405)	(243,856)
Other	391,528	309,612	97,882	77,402
Deferred tax liabilities, net			(4,750,257)	87,880

Since each subsidiary are separate taxpayers, net deferred income tax assets or liabilities for each of these taxpayers have been calculated however these have not been offset in the consolidated balance sheets. The temporary differences and deferred tax assets and liabilities presented above are based on the gross values and represent the net deferred tax position.

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As detailed in Note 3, the tax exemption granted by Article 5, subparagraph d-4 of the Corporate Tax Law, as of January 1, 2025, has been conditioned by Law No. 7524 dated August 2, 2024, on the distribution of at least 50% of the profits obtained from real estate through dividends. Accordingly, if at least 50% of the profits obtained from real estate are distributed as dividends, the tax rate applied to corporate income will be 10%. Since the profit distribution decision is under the responsibility of the general assembly, the tax rate used in the calculation of 2024 deferred tax assets and liabilities is 30% (December 31, 2023: 0%).

Movements of deferred tax assets/(liabilities) as of 31 December 2024 and 2023 as below:

	2024	2023
1 January	87,880	(1,302,353)
Deferred tax expense recognised in profit or loss, net	(3,211,115)	811,306
Deferred tax income recognised in other comprehensive income	(414,316)	576,857
Associated with retained earnings (*)	(1,141,320)	-
Acquisition effect	-	(13,681)
Currency translation differences	(71,386)	15,751
31 December	(4,750,257)	87,880

(*) In accordance with the letter titled "Reporting Tax Amounts in Real Estate Investment Partnerships and Real Estate Investment Funds" sent to real estate investment partnerships by the KGK on February 12, 2025, the deferred tax liability arising from the legislative changes in the financial statements dated December 31, 2024, and its effect for 2023 and before has been reflected in the previous years' profits or losses under equity.

The reconciliation of tax expenses stated on the consolidated statement of comprehensive income for the years ended 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Profit/(loss) before taxes	11,006,051	16,155,851
Expected tax expense of the Group (25%, 25%)	(2,751,513)	(4,038,963)
Investment incentives	257,807	433,419
Expenses not deductible for tax purposes	(100,124)	(216,866)
Effect of consolidation adjustments	193,022	(28,258)
Other income/expense exempt from tax	716,884	2,151,826
Monetary gain/loss [(*)]	(2,446,290)	1,640,587
Additional corporate tax [(**)]	-	(486,196)
Tax rate change effect and other	307,498	(174,787)
Current tax expense of the Group	(3,822,716)	(719,238)

[(*)] It consists of the effect of adjustments related to inflation accounting within the scope of the communiqué numbered 32415 and dated 30 December 2023 of the Tax Procedure Law.

[(**)] In accordance with the "Law on Restructuring of Certain Receivables and Amendment of Certain Laws" numbered 7440 published in the Official Gazette on 12 March 2023, additional tax at the rate of 10% on exemption and discount amounts deducted from corporate income in accordance with the regulations in the laws and on the bases subject to reduced corporate tax, without being associated with the income for the period, and at the rate of 5% on exempt earnings, as shown in the corporate tax declaration for the year 2023. As of 31 December 2024, the amount accrued for the related tax in addition to the Group's corporate tax is TRY336,750 thousand.

NOTE 31 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Financial risk factors

The Groups principal financial instruments are cash and cash equivalents, trade receivables, trade payables and financial liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk, interest rate risk and credit risk. The Group management reviews and agrees policies for managing each of the risks as summarised below.

31.1 Foreign currency risk

Foreign currency risk is identified by the changes in cash flows and revenues due to changes in foreign currency rates. The Group is exposed to foreign currency risk with the foreign currency transactions of sales, purchases, and financial liabilities. In these transactions, USD and EUR are the main currencies. In selected subsidiaries, Akkök, implemented written policies for managing these risks. Written policies are determined considering, a) risk appetite b) strategies and plan to reduce risk to an acceptable level c) risk monitoring methods (reporting, etc.). These policies are revised when necessary and reviewed at least once a year.

Net foreign currency positions of selected subsidiaries are periodically analysed by Akkök. In order to manage the foreign currency risk, natural hedging is achieved, as practically possible, through balance sheet management. In addition, the Group enters derivative contracts to manage shorter - term foreign currency risk, where necessary. For longer term management of the risk, the Group considers market conditions and enters derivative contracts.

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As of 31 December 2024, the foreign currency position of the Group is prepared using the following foreign exchange rates: USD/TRY 35.2803, EUR/TRY 36.7362 (2023: USD/TRY 29.4382, EUR/TRY 32.5739).

Foreign currency position table denominated in Turkish Lira as of 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Assets	11,468,194	11,031,135
Liabilities (-)	(20,105,581)	(22,939,197)
Net balance sheet position	(8,637,387)	(11,908,062)

	31 December 2024			
	USD	EUR	Other Currencies	Total
Assets:				
Cash and cash equivalents	1,902,133	1,154,084	15,383	3,071,600
Financial investments	884,646	-	-	884,646
Trade receivables	4,068,279	3,402,518	23,705	7,494,502
Other assets	17,315	131	-	17,446
Total assets	6,872,373	4,556,733	39,088	11,468,194
Liabilities:				
Short-term borrowings	4,630,728	4,455,152	-	9,085,880
Long-term borrowings	1,091,349	4,943,659	-	6,035,008
Trade payables	3,971,635	745,745	258,500	4,975,880
Other liabilities	8,126	562	125	8,813
Total liabilities	9,701,838	10,145,118	258,625	20,105,581
Net foreign currency position	(2,829,465)	(5,588,385)	(219,537)	(8,637,387)

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	31 December 2023			
	USD	EUR	Other Currencies	Total
Assets:				
Cash and cash equivalents	4,923,760	1,468,251	38,421	6,430,432
Financial investments	194,838	-	-	194,838
Trade receivables	1,938,310	2,439,513	886	4,378,709
Other assets	22,617	133	4,406	27,156
Total assets	7,079,525	3,907,897	43,713	11,031,135
Liabilities:				
Short-term borrowings	3,809,756	3,700,292	-	7,510,048
Long-term borrowings	3,106,834	5,905,124	-	9,011,958
Trade payables	5,279,241	1,045,226	3,450	6,327,917
Other liabilities	14,926	74,348	-	89,274
Total liabilities	12,210,757	10,724,990	3,450	22,939,197
Net foreign currency position	(5,131,232)	(6,817,093)	40,263	(11,908,062)

The table below shows the sensitivity of the net foreign currency position of the Group to the changes in foreign exchange rates as of 31 December 2024 and 2023:

31 December 2024	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%		
USD net assets/liabilities	(282,947)	282,947
Hedging amount of USD	(80,410)	80,410
USD net effect - income/expense	(363,357)	363,357
Change of EUR against TRY by 10%		
EUR net assets/liabilities	(558,839)	558,839
Hedging amount of EUR	83,790	(83,790)
Euro net effect - income/expense	(475,049)	475,049

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31 December 2023	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%		
USD net assets/liabilities	(513,123)	513,123
Hedging amount of USD	96,887	(96,887)
USD net effect - income/expense	(416,236)	416,236
Change of EUR against TRY by 10%		
EUR net assets/liabilities	(681,709)	681,709
Hedging amount of EUR	209,000	(209,000)
Euro net effect - income/expense	(472,709)	472,709

31.2 Interest rate risk

Interest rate risk arises from changes in interest rates of interest-bearing liabilities and assets. As the medium and long-term borrowings are only available with floating rates in the market the Group is exposed to interest rate risk from time to time. Akkök Holding Anonim Şirketi, implemented written policies for managing these risks. Written policies are determined considering, a) risk appetite b) strategies and plans to reduce risk to an acceptable level c) risk monitoring methods (reporting, etc.). These policies are revised when necessary and reviewed at once a year. The Group watches markets closely, analyses sensitivity to interest rate changes and the weighted average maturity of liabilities to identify possible changes in costs. As a result of analysis, if necessary, interest rate swaps are used to fix some portion of the floating rate debt liabilities during the term of the loan.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 31 December 2024, and 2023, the Group's borrowings at floating rates are mainly denominated in USD and EUR.

On 31 December 2024, if interest rates on denominated borrowings had been higher/lower by 100 base point with all other variables held constant, profit before income taxes would have been TRY2,317/2,317(2023: TRY1,356/1,356) lower/higher, mainly because of high interest expense on floating rate borrowings.

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31.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of the counterparties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit screening procedures and the Group also obtains collaterals from customers when appropriate. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Trade receivables are evaluated by the management based on their past experiences and current economic condition, and are presented in financial statements net of provision for doubtful receivables

The Fitch rating scores of the banks in which the company has short term time and demand deposits, are within the range of F3-B.

As of 31 December 2024, trade receivables amounting to TRY2,139,252 (2023: TRY2,233,777) were past due but not impaired. The Group does not foresee any collection risk for receivables overdue up to one month due to industry dynamics and circumstances. The Group applies a portion of trade receivables overdue more than one month by interest charge. Aging of past due but not impaired trade receivables 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Up to 3 months overdue	1,196,812	1,648,857
More than 3 months overdue	596,324	584,920
Total	1,793,136	2,233,777

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Credit risk of financial instruments on 31 December 2024 and 2023 are as follows:

	Trade and other receivables				
1 December 2024	Related party	Other	Bank deposits	Stock, fund and bond	Derivative financial assets
Maximum credit risk exposure as of the reporting date (A+B+C+D)	2,548,254	7,986,297	6,743,432	564,585	211,099
Secured portion	229,256	2,793,242	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	2,173,385	6,568,030	6,743,432	564,585	211,099
- Secured portion	-	2,653,622	-	-	-
B. Net book value of financial assets that are past due but not impaired	374,869	1,418,267	-	-	-
- Secured portion	229,256	139,620	-	-	-
C. Net book value of financial assets that are past due and impaired	-	-	-	-	-
- Overdue (gross book value)	-	395,410	-	-	-
- Impairment (-)	-	(395,410)	-	-	-
- Secured portion	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured portion	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-

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1 December 2023	Trade and other receivables: Related party	Trade and other receivables: Other	Bank deposits	Stock, fund and bond	Derivative financial assets
Maximum credit risk exposure as of the reporting date (A+B+C+D)	2,397,253	9,607,292	10,151,364	1,403,017	107,974
Secured portion	830,900	2,013,738	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,457,522	8,313,246	10,151,364	1,403,017	107,974
- Secured portion	671,887	1,660,782	-	-	-
B. Net book value of financial assets that are past due but not impaired	939,731	1,294,046	-	-	-
- Secured portion	159.013	352.956	-	-	-
C. Net book value of financial assets that are past due and impaired	-	-	-	-	-
- Overdue (gross book value)	-	367.778	-	-	-
- Impairment (-)	-	(367.778)	-	-	-
- Secured portion	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured portion	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-

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31.4 Liquidity risk

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed. The liquidity is minimised by balancing the cash inflows and outflows and also securing funds from reliable financial institutions. The breakdown of financial assets and liabilities according to their maturities is disclosed considering the due date periods. Financial assets and liabilities that have no certain due dates are classified in over one-year column.

31 December 2024

Contractual maturities	Carrying value	Contractual cash flows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	More than 5 years (IV)
Non-derivate financial liabilities						
Borrowings	19,857,192	26,978,834	3,147,319	16,784,046	6,882,370	165,099
Trade payables	6,679,410	6,905,504	6,398,064	496,825	10,615	-
Due to related parties	118,473	118,473	118,473	-	-	-
Total	26,655,075	34,002,811	9,663,856	17,280,871	6,892,985	165,099

31 December 2023

Contractual maturities	Carrying value	Contractual cash flows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	More than 5 years (IV)
Non-derivate financial liabilities						
Borrowings	21,701,335	25,680,992	3,339,869	10,211,709	11,399,118	730,296
Trade payables	8,457,683	8,474,894	7,655,578	437,813	381,503	-
Due to related parties	244,037	244,037	244,037	-	-	-
Total	30,403,055	34,399,923	11,239,484	10,649,522	11,780,620	730,296

31.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and maintain an optimal structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group controls its capital using the net debt/total capital ratio. This ratio is calculated by dividing net debt by the total capital amount. Net debt is calculated as total liability amount (comprises of borrowings, trade payables and payables to related parties as presented in the balance sheet) less cash and cash equivalents Total capital is calculated as equity plus the net debt amount as presented in the balance sheet.

The ratio of net debt/equity on 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Total liabilities	26,655,075	30,403,055
Less: cash and cash equivalents (Note 5)	(7,006,471)	(10,161,329)
Less: short term financial investments	(695,496)	(1,642,082)
Net debt	18,953,108	18,599,644
Total shareholders' equity	86,694,955	81,977,710
Total equity	105,648,063	100,577,354
Gearing ratio (%)	18	18

31.6 Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions are used to estimate the fair value of the financial instruments:

Monetary assets

Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. These balances are anticipated to approximate their book value.

The carrying values of significant portion of cash and cash equivalents are assumed to approximate to their fair value due to their short-term nature.

The carrying values of trade receivables are assumed to approximate to their fair value with their provisions for doubtful receivables.

Monetary liabilities

Bank loans and other liabilities are anticipated to approximate their book value due to their short-term nature.

The long-term loans are assumed to approximate to their carrying value due to their variable interest rates. The determined fair value of long-term loans to explained on notes, is the discounted amount of cash flows according to agreements with current market interest rate (Note 21).

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Fair Value Estimation:

Effective from 1 January 2011 the group adopted the amendment to TFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Inputs for the asset or liability that is not based on observable market data.

31 December 2024	Level 1	Level 2	Level 3
Financial investments measured at fair value through other comprehensive income	156,693	-	537
Derivative financial assets	-	211,099	-
Total assets	156,693	211,099	537

31 December 2023	Level 1	Level 2	Level 3
Financial investments measured at fair value through profit or loss	-	1,118,815	-
Financial investments measured at fair value through other comprehensive income	52,713	-	537
Derivative financial assets	-	71,898	-
Total assets	52,713	1,190,713	537

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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NOTE 32 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDIT FIRMS

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated August 19, 2022, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2022, are as follows:

	2024	2023
Independent audit fee for the reporting period (*)	27,051	31,785
Fees for tax advisory services	1,674	303
Fee for other assurance services	570	567
Non-audit other services	408	406
	29,703	33,061

(*) The fees above have been determined by including the legal audit and other related service fees of all subsidiaries and joint ventures, and the foreign currency fees of foreign subsidiaries and affiliates have been converted into TRY using the annual average rates of the relevant years.

NOTE 33 - EVENTS AFTER THE BALANCE SHEET DATE

As of January 28, 2025, Aksa Acrylic has completed the official approvals for the acquisition of Epsilon's 49% shares owned by BTB Havacılık Yatırım A.Ş. and 5% shares owned by NDÇ Holding A.Ş.

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