



Integrated Annual Report **2024**

IN HARMONY WITH THE CYCLE OF NATURE,
WE DESIGN THE FUTURE.

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ABOUT OUR REPORT

With more than 1,400 employees, we are the only acrylic fiber producer in Türkiye and the world’s leading manufacturer of acrylic fiber, producing from our facilities with an area of 600,000 m² and an annual capacity of 355,000 tonnes.

As the world’s largest producer of acrylic fiber, we are pleased to publish our report, which we have prepared with an integrated perspective within the scope of capital categorization recommended by the International Integrated Reporting Council (IIRC).

During the process of preparing our report, we adopted design language enriched with references in accordance with the UN Development Goals and Global Reporting Initiative (GRI) standards, which can be read comfortably and understood by our investors, in line with the international standards published by the International Sustainability Standards Board (ISSB).

We are pleased to present our integrated management strategy, practices and goals in our report, along with the progress we have achieved in the environmental, social, governance and financial fields to our stakeholders.

The information contained in this report, unless otherwise stated, covers all activities carried out by Aksa Akrilik Kimya Sanayii A.Ş. between 1 January 2024 and 31 December 2024 at its Yalova Production Facilities.

We aim to publish our next report in the first quarter of 2026.

MESSAGE FROM OUR CHAIRMAN OF THE BOARD



We take our social responsibility one step further with projects for young people, women and entrepreneurs. We continue to generate value together with our stakeholders in areas such as regional development, job creation and occupational health and safety.

Dear shareholders, business partners and employees,

We leave behind a year marked by volatility in the global economy, geopolitical risks, concerns over energy supply security and policy changes regarding the climate crisis. At the same time, the elections in many countries highlighted the search for direction in the global system. In this environment of uncertainty, companies with a strong vision, agility and a strategic stance stood out, consolidating their long-term competitive advantages.

Tight monetary policies proved effective in the Turkish economy in 2024, with the risk premium decreasing while attention turned to the need for structural transformation. This backdrop has not only highlighted the private sector's responsibility to produce for the economy, but also for social and environmental value. Today, achieving the sustainable development goals will only be possible with the active leadership of the private sector, as well as the public sector.

With an awareness of this responsibility, we at Aksa Akrilik strengthened our sector leadership in 2024 with our agile management structure, innovation-oriented investments and approach based on the principle of sustainability. In addition to boosting our production capability, our operations at high capacity and the growth in our value-added product group have further supported our effectiveness in the global market. We have continued to create value in the industry, as we have done since the day we were founded, to play a leading role in exports and serve as a driving force in the technological transformation.

Accordingly, the Chemicals and Advanced Materials Group Directorate was established in 2025 under the umbrella of Akkök Holding. Mr. Cengiz Taş, who achieved tremendous success as the CEO of Aksa Akrilik, has been appointed as the President of the Akkök Holding Chemicals and Advanced Materials Group. Ms. Didem Tunçbilek, Business Development Director of Aksa Akrilik, has been appointed as the CEO of Aksa Akrilik. This restructuring, which is an important building block of our group strategy, is a corporate reflection of our sustainable growth and innovation-oriented transformation goals.

Investing in the future

Meanwhile, we successfully completed our investments in the Modacrylic facility and technical yarn factory this year. These investments have not only expanded our physical capacity, but also provided us with a more flexible, higher value-added and more agile production structure. We have enhanced our capacity to innovate with our high-tech brands such as Mithra, Armora and Aksafil. In addition, we have strengthened our vision for the future with new business lines, such as our subsidiary, Epsilon Composite.

We reflect our innovative production approach to our way of doing business, creating value in every field from the digital transformation to lean processes and from human resources to corporate governance. We believe planning the future depends on building the present on solid foundations. With this approach, our investments in R&D and digitalization not only touch on technology, but also the culture, organization and leadership.

We are the leader in our industry and a guiding light in the transformation

The focus of our sustainability strategy is the circular economy, low carbon targets and creating a social impact. This approach has gained recognition, as we have been ranked in the top 10 among the world's textile and apparel companies in the "Refinitiv Sustainability Index". The 'Recycling Project of the Year' award from Boğaziçi University was a clear reflection of this determination. These achievements stand as testament to how environmental performance and economic value can be managed together.

We take our social responsibility one step further with projects for young people, women and entrepreneurs. We continue to generate value together with our stakeholders in areas such as regional development, job creation and occupational health and safety. We resolutely implement policies that support women's leadership and develop strategic collaborations with universities to bring young talent to our company. We carry out all of these activities with the principles of transparency and accountability without deviating from our ethical values.

Strategic steps for a stronger future

As we enter 2025, we are determined to build a structure that is resilient to global uncertainty, technologically equipped, considers its environmental impacts, and values people. In line with our goals in the areas of the digital transformation, green technology investments and opening up to new markets, we will carry Aksa Akrilik to the future with greater strength. While continuing to be a reliable player in global supply chains, we will continue to provide a positive contribution to our country's foreign trade balance by boosting our value-added exports.

Working with faith and devotion, the Aksa Akrilik family stands squarely behind these achievements. I would like to thank our shareholders, customers, business partners and all our stakeholders who have been unstinting in their support for us with their trust.

In line with the principles of innovation, sustainability and social benefit, we will continue to work together to build not only the present, but also the future.

Yours truly,

Raif Ali Dinçkök
Chairman of the Board

MESSAGE FROM OUR GENERAL MANAGER



We further expanded our sustainability-oriented efforts in 2024, implementing projects aimed at waste management and reducing energy consumption and carbon emissions while expanding our production structure in accordance with the principles of the circular economy. We have redesigned all our processes, from production to shipment, with an approach that considers environmental impacts.

Dear stakeholders,

The role of the private sector in achieving our country's developmental goals is becoming more and more critical day by day. In the face of deepening global challenges politically, economically, environmentally and socially, we are working diligently to generate more value in every field from production and employment to exports to innovation.

2024 was a year in which we proved our operational flexibility and agility, while at the same time reinforcing our long-term vision with concrete projects. Despite the economic, political and ecological uncertainties prevailing in the world and in our region, as a company, we have achieved significant results in all operational areas from production to finance, human resources and the digital transformation.

Throughout 2024, we worked with a capacity utilization rate of 82% and achieved 47% growth, driven to a significant extent by our technical products – a clear indicator of the competence and success we have achieved in our value-added product group. This success is a result of our economically astute strategies, our new generation investments, our effective process management and team synergy.

Manufacturing powered by innovation

We resolutely pressed ahead with investments in R&D and the digital transformation in 2024. With our newly commissioned Modacrylic facility and technical yarn factory, we continued to specialize and increase product diversity. While developing products based on advanced technology with brands such as Mithra, Armora and Aksafil, we have brought greater agility to our processes with digital twins, energy efficiency systems and automation solutions at the production sites. With these investments, we have created a production structure which is ready not only for current needs but also for the demands of the future.

Our human resources remained our company's greatest strength. We focused on our goal of "Zero Accidents" by reinforcing the culture of occupational health and safety. In order to increase the rate of women among our employees, recruit young talent and increase employee loyalty, we have enriched our training, development and leadership programs that we carry out through the "Aksa Academy". 2024 was a year in which we increased workforce competence and enhanced the employee experience.

A solid financial structure, a secure future

We took a strong and disciplined stance in financial management. We recorded TL 28.3 billion of turnover in 2024, while maintaining our operational profitability with an EBITDA of TL 5.8 billion, despite the challenging market conditions. We ended the year with over TL 35.6 billion in assets and a strong equity structure, driven not only by our sound financial position but also our long-term growth vision. While maintaining our operational profitability, we unabatedly pressed ahead with our investments in the future. As we enter 2025, we will continue to work unwaveringly to achieve budget discipline, increase our financial resilience and create more value.

We further expanded our sustainability-oriented efforts in 2024, implementing projects aimed at waste management and reducing energy consumption and carbon emissions while expanding our production structure in accordance with the principles of the circular economy. We have redesigned all our processes, from production to shipment, with an approach that considers environmental impacts.

Our goals for 2025 are to increase our production competencies based on the latest technology, to integrate digitalization into all business processes and to further strengthen our competitiveness in the global market. At the same time, we aim to create a transformation model with a strong environmental and social impact in the sector with investments that will spur on our green transformation journey.

I would like to express my sincere thanks to all of my colleagues who have contributed to this journey of success, to our customers who have been steadfast with their trust, to our business partners and to all our stakeholders who have supported us.

Yours truly,

Cengiz Taş
Member of the Board and General Manager

ABOUT AKKÖK HOLDING AND AKSA AKRILIK

Sometimes the brightest idea is to do your job very well.

For 72 years, we have been working hard to do our job very well. We continue to create added value for Türkiye and our stakeholders by adhering to the principle of sustainable growth.

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 chemical, energy composite and real estate sectors, the holding has 24 operational companies and 22 production facilities, 4 of which are abroad.

With over 6,700 employees, Akkök Holding closely follows the foreign markets in the sectors in which it operates, aiming to keep up with competitive conditions around the world and reach global standards in all of its companies.

Improving the quality of life in society and sustainability are among the most important goals and values for Akkök Holding. As a signatory to the United Nations Global Compact, Akkök Holding aims to maintain a sustainability approach which meets universal standards. It has been regularly publishing a Sustainability Report every year since 2008. With the aim of leading the development of social and cultural life in the regions where it operates, the Company implements a wide array of projects focused on art, education and sport.

Türkiye's only producer and the world's largest acrylic fiber manufacturer.

Innovative and Dynamic Aksa

Aksa Akrilik was established in Yalova in 1968 to meet Türkiye's needs for acrylic fiber. Since then, we have continued to create value and grow for our country and our stakeholders. We first started production in 1971 with an annual capacity of 5,000 tonnes and we have continued to strengthen with the technologies we have developed, always adhering to our innovative roots while striving for continuous excellence.

With more than 1,400 employees, we are the only acrylic fiber producer in Türkiye and the world's leading manufacturer of acrylic fiber, producing from our facilities with an area of 600,000 m² and an annual capacity of 355,000 tonnes. By constantly following market expectations and trends, we supply textile and technical textile raw materials for a multitude of products including carpets, upholstery, sweaters, socks, yarn, hand knitting, velvet, rugs, blankets, awnings and industrial filters, backed by our ability to realize flexible production to meet a wide range of needs. We continue to

offer our innovative solutions to meet the needs of a wide range of sectors and business areas, including the automotive and cement sectors as well as the textiles sector.

With our current capacity, we produce enough fiber to manufacture the knitwear needed to dress more than 2 million people a day.

We bring our fibers to 400 customers in over 50 countries on 5 continents, adding strength to our country's exports.

With our power plant, which holds a 155 MW generation license, we generate enough electricity to power 580,000 homes and meet our own requirements for steam and electricity. Our Power Generation Plant also supplies electricity to our sister companies within Akkök Holding.



in **5**
continents



In more
than
50
countries



Over
400
customers



355 thousand
tons/year capacity



Ranked **1**st in the
world in terms of
market share



A **25%**
market share
in the global
market



49%
Export rate

*As of 2024

AKSA THROUGH THE YEARS

1968 As Aksa, we were established under the same roof of Akkök Holding Companies, to meet Türkiye's acrylic fiber requirements.

1971 We commissioned our factory established in Yalova to produce staple fibers and tops with a capacity of 5,000 tons/year.

1976 We installed two steam turbines that will meet our own needs for electricity.

1977 We opened up to foreign markets for the first time and carried out our first export to Italy.

1986 At the end of our first 15 years, our production capacity had increased 23-fold, to reach 116,000 tonnes/year.

1991 We conducted the first CCE steam generation in Türkiye.

2000 We started to produce "outdoor" fibers for outdoor use.

We were one of the first to implement the biological wastewater treatment process in Türkiye with the DeepTank system, which was the most advanced technology of the period in wastewater treatment.

2004 We brought our first sustainability report to our stakeholders.

2007 We increased our production capacity to 307,000 tonnes/year.

2009 With a capacity of 1,500 tonnes/year, we became our country's first producer of carbon fiber and the ninth largest in the world.

2012 We established DowAksa Ltd. by entering a 50%-50% partnership with DowEurope in the carbon fiber business unit.

2013 We took over Ak-Tops Tekstil Sanayi A.Ş.

2014 We were included in the BIST Corporate Governance Index.

2017 We established our R&D centre in line with our goals of innovation and value creation.

2018 Since our inception, we have conducted all our activities based on the principles of efficient resource use and respect for the environment. This has earned us a place in the BIST Sustainability Index alongside 50 other companies.

2020 We published our first integrated annual report, where we started to evaluate our Financial Metrics and Sustainability Priorities together.

2021 We commissioned our AksaFil facility, which produces yarn from short fiber using airjet spinning technology, the first use of such technology in the world.

2023 We raised our installed capacity to 355,000 tonnes/year.

We started work on a facility for the "Ultra High Molecular Weight Polyethylene" product under the Mithra brand.

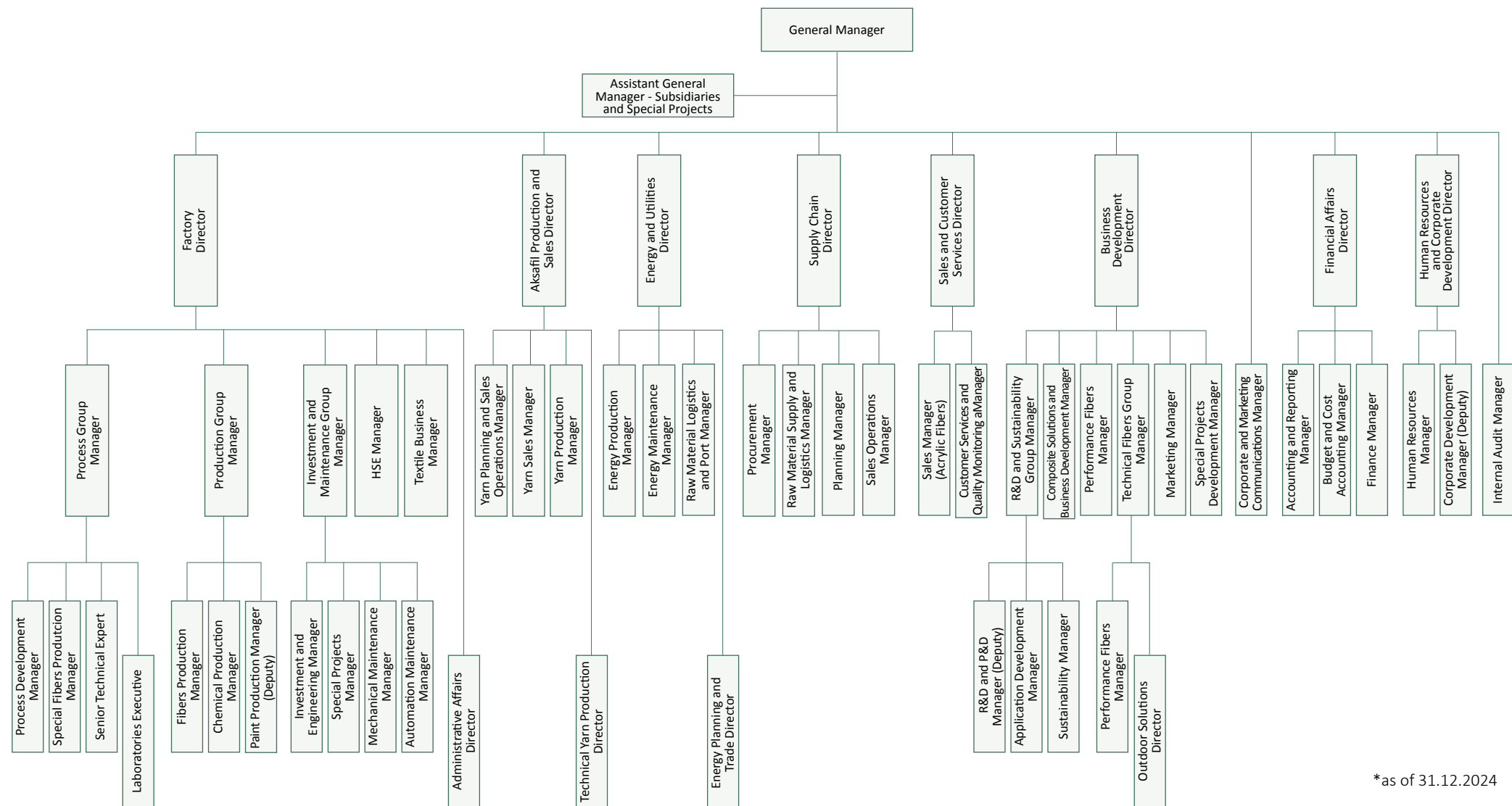
We brought the Aksa Experience Area (ADA) project, which visualizes the transformation journey of acrylic fiber in line with our sustainable production principles, to our visitors.

We increased the production capacity of our subsidiary, DowAksa, to 9,000 tonnes/year.

2024 With our product Acrycyle, we won the Recycling Project of the Year award at the Boğaziçi Environmental Awards.

We were one of the first organizations to be certified within the scope of ISO 56002 Innovation Management System.

ORGANIZATION STRUCTURE



*as of 31.12.2024

OUR BOARD OF DIRECTORS

Raif Ali DİNÇKÖK

Chairman of the Board of Directors

Raif Ali Dinçkök, began his career working in various companies under the Akkök Holding umbrella after graduating from the Business Administration Department of Boston University in 1993. Between 1994 and 2000, he worked in the Purchasing Department of Ak-Al Tekstil San. A.Ş., and from 2000 to 2003, he continued his career as a Coordinator at Akenerji Elektrik Üretim A.Ş. Before assuming the position of Chairman of the Board of Directors of Akkök Holding A.Ş., Raif Ali Dinçkök served as a Member of the Board of Directors and Deputy Chairman of the Executive Board of Akkök Holding A.Ş.

Raif Ali Dinçkök currently serves as the Chairman of the Board of Directors for Aksa Akrilik, Akkim, Akiş REIT, Akmerkez REIT, and Akkök Next, in addition to holding positions as Vice Chairman of the Board of Directors and Member of the Board of Directors in various other companies within the Akkök Holding group.

İhsan Gökşin DURUSOY

Vice Chairman of the Board of Directors

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. Working as Finance and IT Executive at İzmir Demir Çelik A.Ş. from 1988 to 1989, Durusoy joined Akkök Group in 1989 as Chief Budget Planner at Ak-Al Tekstil Sanayii A.Ş. Here, he later served first as Budget Planning Manager and then as Strategic Planning Director. In 2007, he joined Akiş REIT, which was established with the aim of pioneering original and large-scale real estate projects, initially serving as Deputy General Manager and later as General Manager and Member of the Board of Directors starting in 2009. As of January 2023, Mr. Durusoy has assumed the position of Executive President and Member of the Board of Directors at Akkök Holding. In addition, Durusoy holds the position of Vice Chairman at Aksa Akrilik, Akkim and Akiş REIT, and serves as a Board Member in various other Akkök Group companies.

Nilüfer DİNÇKÖK ÇİFTÇİ

Member of the Board of Directors

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. Nilüfer Dinçkök Çiftçi, who serves as the Vice Chairman of the Board of Directors for Akkök Holding A.Ş. as well as for Ak-Pa Tekstil, Dinkal Sigorta and Akkök Next, also holds a position as a Board Member at Aksa Akrilik.

İzer LODRİK

Member of the Board of Directors

İzer Lodrik graduated from Northeastern University (USA), Department of Economics. Subsequently, he started working at Emboy Yuntaş Tekstil Sanayi ve Ticaret A.Ş. Mr. Lodrik currently serves as Chairman of the Board of Directors of Emniyet Ticaret ve Sanayi A.Ş., Emboy Yuntaş Tekstil Sanayi ve Ticaret A.Ş. Additionally, he is a Member of the Board of Directors of Akkök Holding Companies

Alize DİNÇKÖK

Member of the Board of Directors

Ms. Alize Dinçkök graduated in 2004 from the Business Administration Department of the Suffolk University Sawyer School of Management. In 2015, she joined the Harvard Business School General Management Program and completed it successfully. In 2018, she completed the MIT Sloan School of Management Innovative Thinking program. She started her career in 2005 as a Strategic Planning Specialist at Ak-Al Tekstil Sanayi A.Ş. Ms. Alize Dinçkök was transferred to the Akiş REIT upon its establishment in 2005 and assumed the duties of Project Coordinator, Sales and Marketing Manager and Assistant General Manager of Sales and Marketing, respectively. Ms. Alize Dinçkök, who is a member of the Board of Directors of Akkök Holding A.Ş., also serves on the Board of Directors of various Akkök Holding Companies (Aksa Akrilik, Akkim, Akcoat, Akiş GYO, Akmerkez GYO and Aktek Bilişim), as well as Chairman of the Board of Directors of Akmerkez Lokantacılık, Ak-Pa Tekstil, Dinkal Sigorta, Üçgen Bakım ve Yönetim Hizmetleri, Akyaşam Yönetim Hizmetleri and Dinkal Sigorta. Ms. Alize Dinçkök also manages the Akkök Group Marketing Platform, founded in 2015.

Cengiz TAŞ

Member of the Board of Directors

Cengiz Taş graduated from the Industrial Engineering Department at Boğaziçi University in 1989. He began his career at Kordsa as an Investment Planning Engineer in 1989. He joined Akkök Holding Companies in 1991 as a Budget Expert at Ak-Al Tekstil Sanayii Anonim Şirketi and acted respectively as Budget Chief, Budget Manager, Production Coordinator, Assistant General Manager in Charge of Planning and as General Manager between 2004 and 2011. Cengiz Taş, who served as the General Manager of Aksa Akrilik between 2011-2024, continues to serve as a Member of the Board of Directors.

Starting in 2025, Cengiz Taş has started to serve as the President of Akkök Holding Chemicals and Advanced Materials Group and also serves on the Board of Directors of Akkök Group companies. Mr. Taş has membership in various associations and continues to serve as the Vice President of the Board of Directors of the Turkish Textile Industry Employers' Union. Mr. Taş is married with two children and speaks English and French.

Kamil Batur ŞULEN

Independent Board Member - Member of the Audit Committee - Member of the Early Detection of Risk Committee

Mr. K. Batur Şulen graduated from the Department of Economics of the Middle East Technical University and served in various positions in the Koç Group for 14 years. He worked as the Financial and Administrative Affairs Manager at Biletix A.Ş. between 2000 and 2002. From 2003 to the end of 2019, he worked as the Group Internal Audit Manager at Evyap Holding. Mr. K. Batur Şulen is an independent member according to the CMB Corporate Governance Principles. Mr. Şulen has audit / accounting, finance experience and the CIA (Certified Internal Auditor) certification. The duties he has undertaken in the last 10 years are essentially explained above. He has not had any relationship with Aksa Akrilik and with related parties for the last five years.

Lale DEVELİOĞLU

Independent Board Member - Member of the Early Detection of Risk Committee - Member of the Corporate Governance Committee - Member of the Sustainability Committee

Ms. Lale Develioğlu graduated from Boğaziçi University Industrial Engineering Faculty and got a master's degree from Rensselaer Polytechnic University. Develioğlu began her professional career at Unilever in 1992, where she served as the Marketing Director from 1998 to 2003. In late 2003, she joined Turkcell, where she held various positions, including Deputy General Manager responsible for Individual Customers and Marketing from 2006 to 2011, and Deputy General Manager responsible for Group companies and International Operations from 2011 to 2014. In 2015, Develioğlu joined Yıldız Holding, where she served as the Global Chief Marketing Officer for Pladis, the global snack company headquartered in the UK, until 2018. Throughout her career, Develioğlu has held board memberships in various companies operating in telecommunications, technology, FMCG, food, durable goods and retail sectors across Türkiye, the Middle East, CIS countries and Europe. She currently serves on the Boards of Anadolu Efes, Coca-Cola İçecek and Anadolu Isuzu, in addition to serving as a Board Advisor at Nobel ilaç. Develioğlu is recognized as an independent member in accordance with the Capital Markets Board Corporate Governance Principles. The duties she has undertaken in the last 10 years are essentially explained above. She has not had any relationship with Aksa Akrilik and with related parties for the last five years.

Prof. Dr. Güler ARAS

Independent Board Member - Chairman of the Corporate Governance Committee - Chairman of the Sustainability Committee - Member of the Audit Committee

Güler Aras, who completed her PhD at the Department of Banking and Economics at Marmara University, is the founding director of Yıldız Technical University's Finance, Corporate Governance and Sustainability Center and a professor in the Department of Finance. She previously served as the Dean of the Faculty of Economics and Administrative Sciences and as the Director of the Institute of Social Sciences. She has served as a member of the University Senate and University Board of Directors, as well as a member of the Faculty Board of Directors. She has been invited as a visiting professor and researcher to various universities in the UK and the USA, and was a visiting professor at the Financial Markets and Policy Centre in the McDonough School of Business at Georgetown University, in 2014-2015. Aras is actively involved in academic journal editorial boards, including serving as the founding editor of the "Journal of Capital Market Studies" published by Emerald. Güler Aras has published more than 300 works, mostly in international journals, in the fields of finance, capital markets, banking, sustainability, corporate governance and integrated reporting, including more than 25 books and a number of articles and papers, and has won various awards and completed various national and international completed projects. She also has articles published regularly in her column at the Dünya Newspaper. Prof. Aras has pioneered developments in Corporate Governance, Integrated Reporting and Corporate Sustainability in Türkiye. She is the founder and chairman of the Board of Directors of the Integrated Reporting Association of Türkiye (ERTA), an official member of the International Foundation for Value Creation (IIRC) which continues its activities in cooperation with the IFRS Foundation and ISSB, and is also a member of the advisory board of the IFRS Foundation Integrated Reporting and Connectivity Council (IRCC). In 2020, Prof. Aras was included in the list of "Women Who Encourage Türkiye". In addition to her current roles, she has also served in the Treasury and Foreign Trade Undersecretariat, as well as in the Labor and Social Security Ministry and the Development Ministry, participating in the Labor and Strategy Committees and the Specialization Committees for Development Plans preparation. Aras also serves as an Independent Board Member at various companies and is recognized as independent in accordance with the Capital Markets Board Corporate Governance Principles. The roles she has undertaken in the last ten years are primarily as described above. Over the past five years, she had no affiliation with Aksa Akrilik Chemical Industry Inc. or any related parties.

Executive Management

**Didem TUNÇBİLEK**

*Business Development Director**

She worked at Aksa in the following positions, respectively: Technology Engineer, Marketing Expert Engineer, Product Development Manager, Marketing and Sales Market Research Expert Engineer, Outdoor and Special Fibers Marketing and Sales Manager, Technical Fibers Marketing and Sales Manager. Ms. Tunçbilek graduated from the Middle East Technical University, Department of Chemical Engineering.

She leads Aksa's R&D and Sustainability activities in line with its innovation and sustainable development strategies.

*Ms. Didem Tunçbilek was appointed as the CEO of Aksa Akrilik with effect from January 1, 2025.

**Atakan KAPLAN**

Supply Chain and Investment Director

Atakan Kaplan graduated from the London Lloyd's List International Transportation and Maritime Business Administration and the English Department of Dokuz Eylül University. He began his career at Aksa in 2001, where he served successively as a Port & Storage Specialist and Port Manager. As of February 2023, he continues to serve as the Supply Chain Director. In addition, since 2019, he has been representing Aksa as the Chairman of the Board of Directors at Yalkim OSB (Organized Industrial Zone). Kaplan holds a Master's degree in International Transportation and has certifications in Port Facility Security Officer (PFSO) and Supply Chain Management from the Maritime Faculty of the Istanbul Technical University.

He is a leader in Sustainable Supply Chain and its implementation within Aksa.

**Ceyhan ARIK**

Energy and Utilities Director

Ceyhan Arık graduated from the Department of Industrial Engineering at Istanbul University in 2000. He started his career as a Production Planning Specialist at Bossa Tekstil A.Ş. in 2001. Between 2002 and 2007, he worked as Production and Material Planning Engineer at Areva Elektrik End. A.Ş. Starting his duty as Budgeting Specialist in the Investment Department at Aksa Akrilik in 2007, he served respectively as Budget and Financing Specialist, Budget and Cost Accounting Deputy General Manager, and Budget and Cost Accounting General Manager. He was appointed Investment and Engineering Manager in November 2015. As of September 2016, Arık has acted as a deputy Investment Director. He has been working as Energy Director since January 1, 2018.



Erdinç KAZAK

Financial Affairs Director, Corporate Governance Committee Member

Erdinç Kazak graduated from the Department of Business Administration at Marmara University in 2005 and started his career as an Independent Auditor at PricewaterhouseCoopers and started to work as a Reporting Specialist at Aksa Akrilik in 2011.

Within Aksa, he first worked as an Investor Relations and Reporting Manager, then as an Accounting and Reporting Manager and then as a Budget and Cost Accounting Manager.

He has been serving as Chief Financial Officer since 1 January, 2018. He is also a member of the Corporate Governance Committee.

Mr. Kazak holds the Certified Public Accountant (CPA), Public Oversight Authority (KGK) Independent Auditor, CMB Advanced License and Corporate Governance Specialist certificates.

A leader in projects focused on financial sustainability, Mr. Kazak also serves as a Member of the Board of Directors in the Yalova Composite and Chemical Specialized Organized Industrial Zone.



Gürcan KOMAN

Factory Director

Gürcan Koman graduated from the Department of Chemical Engineering at Middle East Technical University in 2005. He started his career at Aksa Akrilik in 2006. Within Aksa, he undertook the duties of Investment Engineer, Process Engineer and R&D Engineer; Fabric Pullout and Dope Areas Manager; Process and Product Development Manager. Between 2019 and 2024, he held the position of Factory Director.

Gürcan Koman was appointed as the Vice President of Chemicals and Advanced Materials unit at Akkök Holding with effect from 1 January, 2025.



Haydar İNAN

Aksafil Production and Sales Director

Haydar İnan graduated from the Department of Industrial Engineering at Istanbul University in 2001, and completed his Masters in Polymer Engineering at Yalova University in 2015. He started his career as a Human Resources Specialist for the Aksa Akrilik's facilities in Yalova in 2002, and in 2005, he worked as a Specialist in the department of Investment Planning, and Industrial Engineer at the Ak-Al Tekstil's facilities in Yalova. Serving as a Production Planning Specialist at Ak-Al Tekstil facilities between 2006 and 2008, Mr İnan undertook his additional duty at Budget Planning in 2008, while he served as Budget and Strategic Planning Manager at Ak-Al's Central office in Istanbul between 2009 and 2011. He acted as Finance Manager in 2011, reporting to Akkök Holding's Chief Financial Officer. Mr İnan started to serve as Planning and Product Warehouse Manager at Aksa Akrilik in 2012, he was appointed as Textile Director in February 2015 and Supply Chain Director in 2019-2021. As of 2021, he was appointed as Textile Director.



Serhan BELENER

Sales and Customer Services Director

Mr. Serhan Belener is a graduate of the International Trade Department of Boğaziçi University. He started his career in 2000 as Export Marketing Representative at Akpa Textile Export Marketing. Between 2004 and 2011, he worked as Sales and Marketing Manager at Ak-Al Tekstile Industry. Since 2011, he has worked as Export Marketing Manager, Sales Marketing Manager (Acrylic Fibers) at Aksa Akrilik. He is currently Sales Marketing Director (Acrylic Fibers) at Aksa Akrilik.



Yarem Başak ÇİMEN

Human Resources and Corporate Development Director

Yarem Başak Çimen graduated from the Department of Chemical Engineering at Istanbul University in 2006 and completed the MBA program at the Institute of Business Economics of Istanbul University in 2008. She started her career at Aksa Akrilik as the Technical Assistant to the General Manager in 2008, and served as Project Portfolio Management Specialist, Management Systems Manager and Corporate Development Manager, respectively. As of January 1, 2022, she was appointed as the Director of Human Resources and Institutional Development.

At Aksa, she leads the creation of HR policies and the rollout of these policies within the organization.

With effect from 1 January, 2025, the position of Plant Director was split into "Production and Process Director" and "Investment and Maintenance Director".

Mr. Emrah Eren was appointed as the "Production and Process Director" and Mr. Umut Taşçı was appointed as the "Investment and Maintenance Director".



With the strong brand image brought by being the largest manufacturer in the sector, a low cost advantage and effective supply chain management, we rounded off the year 2024 with a capacity utilization rate of 82%.

AT A GLANCE IN 2024 - OUR KEY INDICATORS

Overview of the Market, Raw Materials and Production

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/tonne before hovering in a USD 1,200-1,300/tonne 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-tonne 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.





As in previous years, we participated in a number of national and international fairs in 2024, bringing our products to professionals from different sectors, and developed collaborations.

Fair Participation

In what was a productive year, we took part in a number of important national and international in the sector in 2024 where we introduced our innovative and sustainable products to a global audience, including industry professionals, providing us with the opportunity to develop collaborations.

Heimtextil Fair (January 9-12, Germany)

Heimtextil, the world's largest home textiles fair, was held in Frankfurt where it hosted a large audience of producers, being attended by industry professionals, manufacturers and designers. We had the opportunity to introduce our Everfresh, Acryluna and Acrycycle brands in this fair. While Everfresh offers a sense of comfort and spaciousness by providing hygiene with its sterile characteristic, the Acryluna product attracted attention with its durability and longevity. In addition, the fair once again gave us an opportunity to emphasize the importance we attach to sustainability, as we introduced our Acrycycle recycled acrylic fiber product. Home textile products such as towels, bed linen, blankets, bathrobes and curtains were exhibited at the fair.

Premiere Vision Fair (February 6-8, Paris)

Premiere Vision Paris, a key meeting point for the fashion and textile world, hosted a wide range of participants including designers, textile

manufacturers and retailers. We at Aksa took part in the fair with our Acryluna, Everfresh, EcoDye and Pillout brands.

The EcoDye product contributes to sustainability with its waterless dyeing technology, while Pillout offers long-lasting products by preventing clumping. At the fair, we highlighted our environmental and sectoral credentials by introducing our innovative textile fibers.

Tüyap İstanbul Yarn Fair (February 22-24, Türkiye)

The Tüyap Yarn Fair, held between 22-24 February, was one of the significant events we attended during 2024. This event, which is one of the largest fairs in the sector, attracted wide attention from both local and foreign participants. The fair provided us with the opportunity to lay the foundations of new collaborations and share our innovations in the sector.

At our stand, we exhibited our products such as Acryluna, which offers comfort in all seasons, Pillout, which provides long-lasting products by preventing clumping, Innofleece, our animal-friendly collection, and EcoDye, which we produce with waterless dyeing technology. In addition, while Everfresh offers a sense of comfort and spaciousness, Acrylusion was noted for its durability and longevity. Aksafil yarns, which we have produced with AirBulk technology, attracted a great deal of attention at the fair.

Sustainability has always been our priority and we emphasized this position in all of our meetings at the fair. With both our products and our collaborations, we once again demonstrated that we offer more sustainable solutions for the industry. The fair marked an important chance to seize new opportunities and enter new business partnerships.

Textilegrom Fair (February 27-March 1, Russia)

Textilegrom, one of Russia's leading textile fairs, was a major event bringing together manufacturers, suppliers and industry professionals. We took in the fair with our Aksafil brand, introducing Aksafil's new generation, high-performance acrylic and acrylic blended yarns. Our innovative yarn technologies have attracted the attention of professionals in the industry.

Texhibition Fair (March 6-8, Türkiye)

Texhibition was an important meeting point for the home textile and clothing industries, with Aksa participating with its Aksafil, Acryluna, Everfresh, Acrycycle and Pillout brands. Our products in the clothing and home textile sectors made an impression at the fair with their sustainability and environmentally friendly credentials. Our home textiles and apparel products provide durability and longevity, while products such as Everfresh and Acrycycle stood out with their environmental benefits.

Techtextil Fair (April 23–26, Germany)

Techtextil, one of the most prestigious fairs in the technical textile industry, was an important event attended by technical textile manufacturers and engineers from around the world. We took part in the exhibition with our Mithra product, which brings value to the sector with its durability and strength, our Armora brand with products offering a high level of protection and safety in the field of occupational health and safety, and our Acryterna brand, where we exhibited our innovative solutions in the field of technical textiles.

NSC Fair (September 13–19, USA)

The NSC Fair, held in the USA, is one of the largest events in the field of occupational safety and protective clothing, and it is an exhibition which attracts a very high level of participation from industry professionals. While our Armora product, which we have developed for protective clothing, stood out with its safety and protection features, our sustainable products produced with dope-dye technology also attracted considerable attention.

FMCEX Carpet Fair (October 14–17, Iran)

The FMCEX Carpet Fair held in Iran brought carpet manufacturers and suppliers together. We took part in the fair with our Aksafil and Acryluna brands, introducing the advantages of acrylic fiber in the carpet industry. Aksafil's durability and the long-lasting structure of the Acryluna product were our highlights at the fair.

Morocco International Yarn and Fabric Fair (November 7–9, Morocco)

This major fair held in Morocco was attended by yarn manufacturers and fabric suppliers. We took part with our Aksafil brand and the yarns produced with AirBulk technology. AirBulk was one of the remarkable innovative technologies in the fair, with its lightweight, durable and performance-oriented yarns.

As Aksa, we provided important contributions to the sector with our sustainable and innovative products at the fairs we attended throughout 2024.

The innovative products exhibited at these fairs enabled the establishment of business partnerships and a stronger bond with the sector. The number of companies exhibiting at the fairs served to expand Aksa's expanding customer portfolio and the global recognition of its products.

Supply Chain

Effects of the Global Situation on the Supply Chain

Ongoing geopolitical tensions around the world, especially regional wars and economic uncertainties, continue to pose significant challenges in supply chain management. Volatility in raw material prices set the stage for fluctuations in a wider range of areas, especially in energy and chemical materials, bringing

various challenges in terms of logistics and imports. Meanwhile, the specific application of customs regulations to certain chemicals or materials due to the trade wars between various countries has shifted balances in the availability and pricing of raw materials. The prohibitions and restrictions on certain chemicals due to environmental regulations or sustainability concerns may directly or indirectly affect the use of some raw materials or materials.

In contrast, the Aksa Supply Chain, with its proactive and dynamic structure, overcomes these challenges with effective solutions and has successfully maintained its operational continuity and cost optimization efforts.

As the fallout of the chip crisis receded and in parallel with the decline in global demand, there was a general decline in prices of semi-finished products and chemical raw materials. In particular, price relaxations were observed in plastic, rubber and paint raw materials. China's low price policies in petroleum-derived products and new refinery capacities in the Middle East have increased competition in raw material prices. The decline in natural gas prices has provided a cost advantage for energy-intensive sectors, but the sanctions on Russian energy exports imposed by EU countries have given rise to some regional price differences.

In Türkiye, the continuing high levels of inflation continue to pile pressure on costs. However, the markets have stabilised, especially since the second half of the year, and prices have plateaued amid faltering demand. At Aksa, we have sought to minimize these problems by entering periodic price agreements with certain key suppliers. Aksa has minimized its supply risks by stepping up cooperation with suppliers and optimizing stock management of critical raw materials.

Aksa is working to accelerate work on these projects in line with its strategic goals in the areas of chemicals and advanced materials. As a result of the work carried out harmoniously by the purchasing, supply and logistics networks, field studies of critical projects continue in accordance with the target schedules.

The integration of new technologies continues to bring significant efficiency in tender and bid collection processes with the Robot (RPA) Purchaser system. The use of these applications has paved the way for general Electronic-Purchasing to reach approximately 60% of total purchases.

In summary;

Despite the challenges in the supply chain, Aksa adopts a solution-oriented approach by focusing on localization, creating new resources and alternative procurement strategies. While increasing the use of technology has improved operational efficiency, significant gains have been achieved in cost optimization.

The value created in the supply chain processes and the total return arising from collaborations are thought to have provided a significant contribution to our company's sustainability and competitiveness in the market.

As the transition to sustainable procurement practices continues to gain pace, we will focus on projects that reduce our carbon footprint and support circular economy practices going forward.

Energy

With a generation capacity of 155 MW of electricity and 1,005 tonnes per hour of steam, our Company increased the continuity and reliability of its power generation and on-site distribution facilities with the improvement and maintenance work carried out in 2024.

Energy efficiency projects continue to be an important area of focus in Aksa's investment plans. In addition, the project to increase the production capacity of our existing reverse osmosis facility by 50%, aimed at protecting natural water resources, has been completed and the facility continues to produce at 100% capacity. Research on new technologies for energy production continues unabated, and the energy sustainability roadmap for the coming years will be determined in line with these studies.

On the other hand, our energy business unit will become a 100% subsidiary in 2025 through a partial demerger, within the scope of our future strategies.



KEY INDICATORS

Export Rate (%)



2023

43

2024

49

Our Investment Expenditures (TL)



2023

2,660 Million

2024

3,387 Million

We increased our investment expenditures by 27%.

Female Employee Ratio (%)



2023

14

2024

17

Dividend Payment Per Share (TL) Gross



(refers to the dividend paid in the relevant year.)

2023

2.41

2024

5

We increased our distributed dividend per share by 107%.

SUSTAINABILITY AGENDA

At Aksa, we continue to closely follow developments related to sustainability and climate change in Türkiye and around the world. With the dynamic structure we have created, we are aware of the importance of active and continuous evaluations on these issues in order to ensure that all sustainability and related issues are in line and compatible with our future strategy.

Therefore, by addressing the issues brought to the agenda by international scientific authorities, public institutions and the business world, we keep the universe of risks and opportunities, which are essential for our decision-making mechanisms, alive in the light of current developments. We evaluate the legal regulations in place in the regions where we have strong economic relations, as well as the laws and practices under considering in Türkiye, considering the main effects they may have on our Company and our country's economy.

2024 was a turning point for Türkiye in many areas that touch on sustainability. In particular, the decisions Türkiye took and shared with the public at the COP29 held in Baku in November clarified the issues expected to be implemented in 2025. Accordingly, the following steps will fundamentally

affect the future strategies of institutions and organizations, along with their ways of doing business:

- Completion and announcement of the work for the National Green Taxonomy Regulation
- Implementation of the Emissions Trading System

It has been officially announced that important steps such as the two listed above will be implemented in 2025. In this context, necessary preliminary studies have been initiated so our Company will be prepared for the Emissions Trading System, which is not yet active but will enter force in due course.

Meanwhile, targets for reducing emissions and increasing energy efficiency for climate change were also announced and shared with all stakeholders. Accordingly, it was announced that investments in energy efficiency will be increased to USD 20 billion by 2030, while targeting a 16% reduction in energy consumption. This will also involve the prevention of 100 million tonnes of greenhouse gas emissions.

In terms of reporting standards, in parallel with the EU's Corporate Sustainability Reporting Standard (CSRD), Turkish Sustainability Reporting Standards have been published in our country and the first reporting period for companies within a determined scope started on January 1, 2024. In parallel with this, the practice of subjecting the reports to be published to third-party assurance audits, which will confirm their reliability and validity, was also introduced. At Aksa, we will present the report we

have prepared in line with these requirements to our investors within the year.

At Aksa, we follow the developments in sustainability in Europe as well as in other markets which we an export to. We also follow developments in our country and strive to develop products which will comply with these regulations on the expectation that similar practices will apply in Türkiye in the near future.

With the "Green Deal" announced by the European Union in 2019, the EU set out the goal of Europe "becoming a climate neutral continent" by 2050. In this vein, work on the new measures and details of the "Fit for 55 Package", published in 2021, continued in 2024.

The "Empowering Consumers for the Green Transition Directive", which is scheduled to enter force on 27 September, 2026, will update existing consumer laws and prohibit companies from using most general environmental claims for products, such as being "sustainable" and "green", or that a product or service has a neutral, reduced or positive impact on the environment, unless these claims are based on data.

The International Organization for Standardization is preparing to publish its own global net-zero standard at the 2025 UN Climate Change Conference (COP 30). This new standard hopes to provide companies with clear, independently validated guidelines to achieve their net-zero targets and provide a globally consistent approach to climate action across sectors and regions.

Work is also underway to grade ESG issues. On 19 November, 2024, the EU adopted its own "ESG Rating Transparency Regulation", which will begin to be implemented on 2 July, 2026. According to the regulation, ESG rating providers will need to be authorized by the European Securities and Markets Authority (ESMA) to avoid conflicts of interest and comply with new transparency requirements.

The "Ecodesign Regulation for Sustainable Products" (ESPR), which entered force in July 2024, aims to improve the sustainability of products offered to the EU market by improving the circularity, energy performance, recyclability and durability of the products.

Under the "Carbon Border Adjustment Mechanism (CBAM) Implementation Law", drafted by the EU in 2023, a product-based emission reporting obligation was introduced for the cement, iron and steel, aluminum, fertilizer and electricity sectors, which are priority sectors, with the period between October 2023 and the end of 2025 determined as a transition period. While our company's activities during the reporting period were not subject to any national and international carbon pricing mechanism, as the largest organization in its field, we continue to analyze the risks and opportunities posed by national and international carbon taxation practices by carrying out evaluations ahead of regulations which will cover the chemicals and textile sectors.

We closely followed the outcomes of COP29, the world's most important climate summit, and its impact on global developments, and

addressed the impacts of the decisions on our business strategies. One of the most important results of the conference was the use of the term "distancing" instead of the term "phasing out" from fossil fuels, which had been used at the COP28. This highlighted the need to determine stricter and more stringent targets for the scenarios set for the climate goals and emphasized the importance of joint action for decarbonization. The aforementioned statement and agreement were upheld this year, demonstrating the will to not stepping back.

The "Perception Survey" published in the World Economic Forum's Global Risk Report, an important reference point in the assessment and analysis of global risks, revealed perceptions of the environmental, social, economic and technological risks facing the world in the next two years, deemed to be the next short term, with these risks listed on the basis of their importance as follows:

1. Misinformation and disinformation
2. Extreme weather events
3. State-based armed conflict
4. Societal polarization
5. Cyber espionage and warfare
6. Pollution
7. Inequality
8. Involuntary migration or displacement
9. Geoeconomic confrontation
10. Erosion of human rights and/or civic freedoms.

On the other hand, the same report found that four of the five most important long-term risks

foreseen by respondents for the following 10-year period were direct environmental risks, with climate change, biodiversity and risks to species, which are among the main pillars of sustainability, and issues related to natural resources being highlighted as the important risk issues for the coming period.

According to data published by the World Meteorological Organization, the average global temperature in 2024 indicated warming of 1.55°C when compared to pre-industrial levels, placing 2024 as the hottest year on record. This result confirmed that the long-term goals based on the Paris Climate Agreement were under serious threat, if not dead in the water.

Taking into account all of these issues on the agenda, but without limiting ourselves to the data here, we aim to reduce our environmental impact and create a positive impact with our responsible use of resources, our energy efficiency, waste reduction and circular economy practices, our investments in new technology and our innovative and low-environmental impact product designs, and we dynamically continue to shape our organization and way of doing business in this direction.

02

WE PRIORITIZE OUR RESPONSIBILITIES

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SUSTAINABILITY MANAGEMENT STRUCTURE

We handle our organization and business processes at all levels by prioritizing sustainability, which is one of our strategic goals, and design and construct accordingly.

As the world’s largest acrylic fiber producer, we act with awareness of our environmental and social impacts, including those throughout our entire value chain beyond our ecosystem, while considering the needs of future generations together with all our stakeholders.

We handle our organization and business processes at all levels by prioritizing sustainability, which is one of our strategic goals, and design and construct accordingly.

We act with the aim of creating a structure that facilitates Environment, Social and Governance (ESG) practices within Aksa and encourages the participation of all stakeholders, while constantly improving in response to current trends, expectations and needs.

We are sensitive to the holistic nature of our sustainability approach and the inclusion of all our stakeholders in this approach. The Sustainability Communities we have established play a critical role in improving Aksa’s Environmental, Social and Governance (ESG) performance, encouraging innovation by following best practices in the sector and ensuring that our sustainability efforts are transparent and measurable.

We review our company targets every year for issues within the scope of sustainability, and ensure that the relevant parties, especially the directly responsible bodies, individuals and units meet the base criteria in the bonus system.

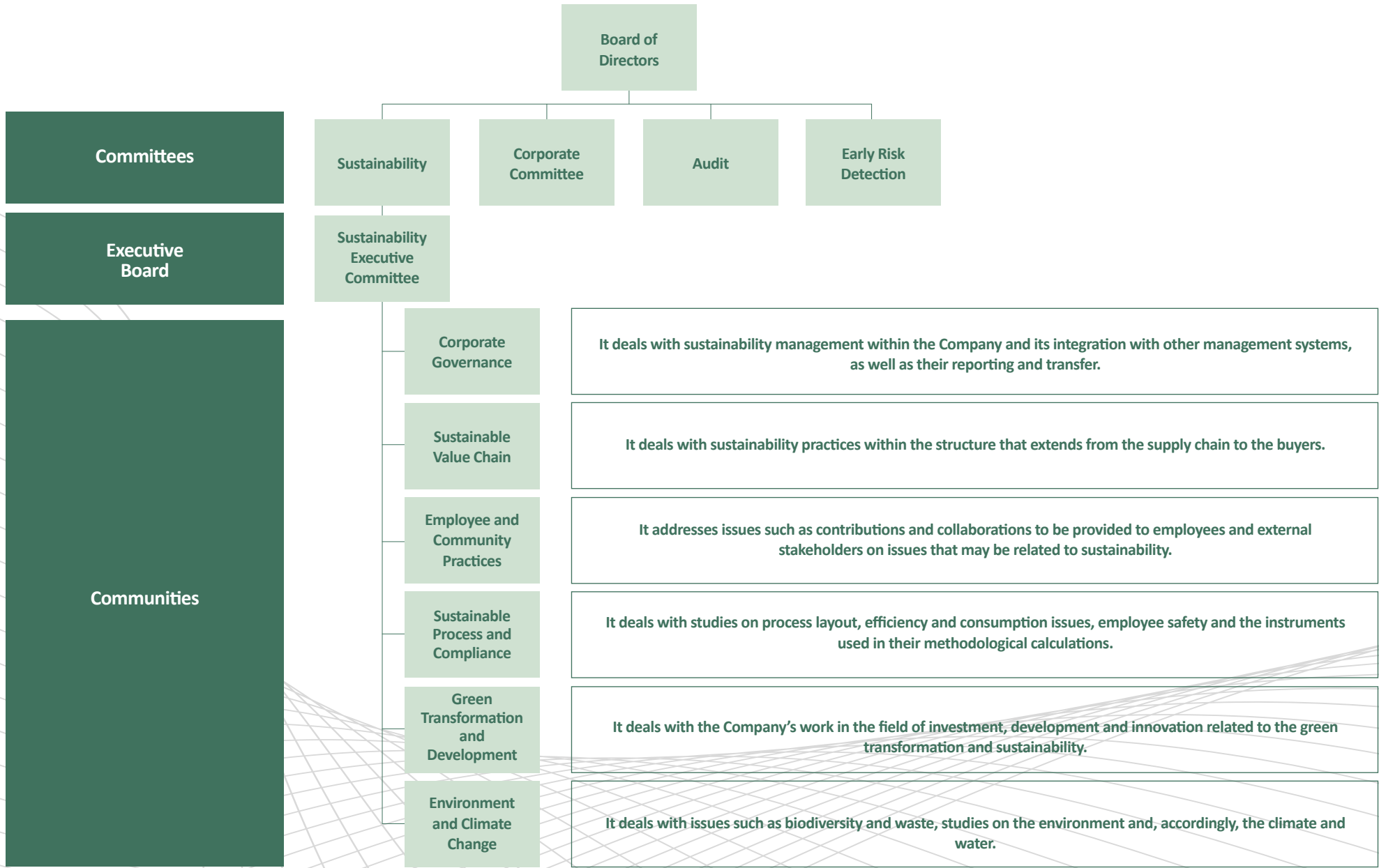
The Sustainability Executive Board at Aksa Akrilik plays an active role in overseeing sustainability-related risks and opportunities. The outputs and comments

of the Executive Board are regularly reported to the Sustainability Committee, which convenes at least four times a year, with their work is directed according to the advice and guidance received. Important issues discussed by the Committee are referred to the Board of Directors and evaluated in Board meetings. The Sustainability Committee and the Sustainability Executive Board play a critical role in monitoring, assessing and making strategic decisions regarding sustainability and climate risks within the framework of their working principles.

The contributions obtained from the work carried out by the groups are discussed with the Sustainability Executive Board, which we have established under the Sustainability Committee, which reports directly to the Board of Directors and is chaired by our CEO. The Committee consists of the executive management team and convenes at least four times a year to evaluate developments in the fields of sustainability and climate change. At the same time, we develop our corporate sustainability strategy through this board by analyzing risks and opportunities related to sustainability issues and take the necessary actions to realize the determined goals.

You may refer to our Risk Management Culture section for details of our approach to risk management.

Our Sustainability Committee, which reports to our Board of Directors, advises the Board of Directors on Aksa’s ESG policies and objectives and supports their implementation.



OUR PRIORITY SUSTAINABILITY ISSUES

We have determined our sustainability-related priority issues and, accordingly, identified emission reduction and sustainable energy management as our risk-based high priority issues from a financial adequacy perspective.

While conducting our prioritization analysis, we took the dynamics affecting our area of business and stakeholders into account, and looked at the global developments which shape the sustainability agenda. This analysis, which reflects the approaches of our internal and external stakeholders to priority issues, also serves as a basic reference in the processes of developing our sustainability strategy and setting out our actions.

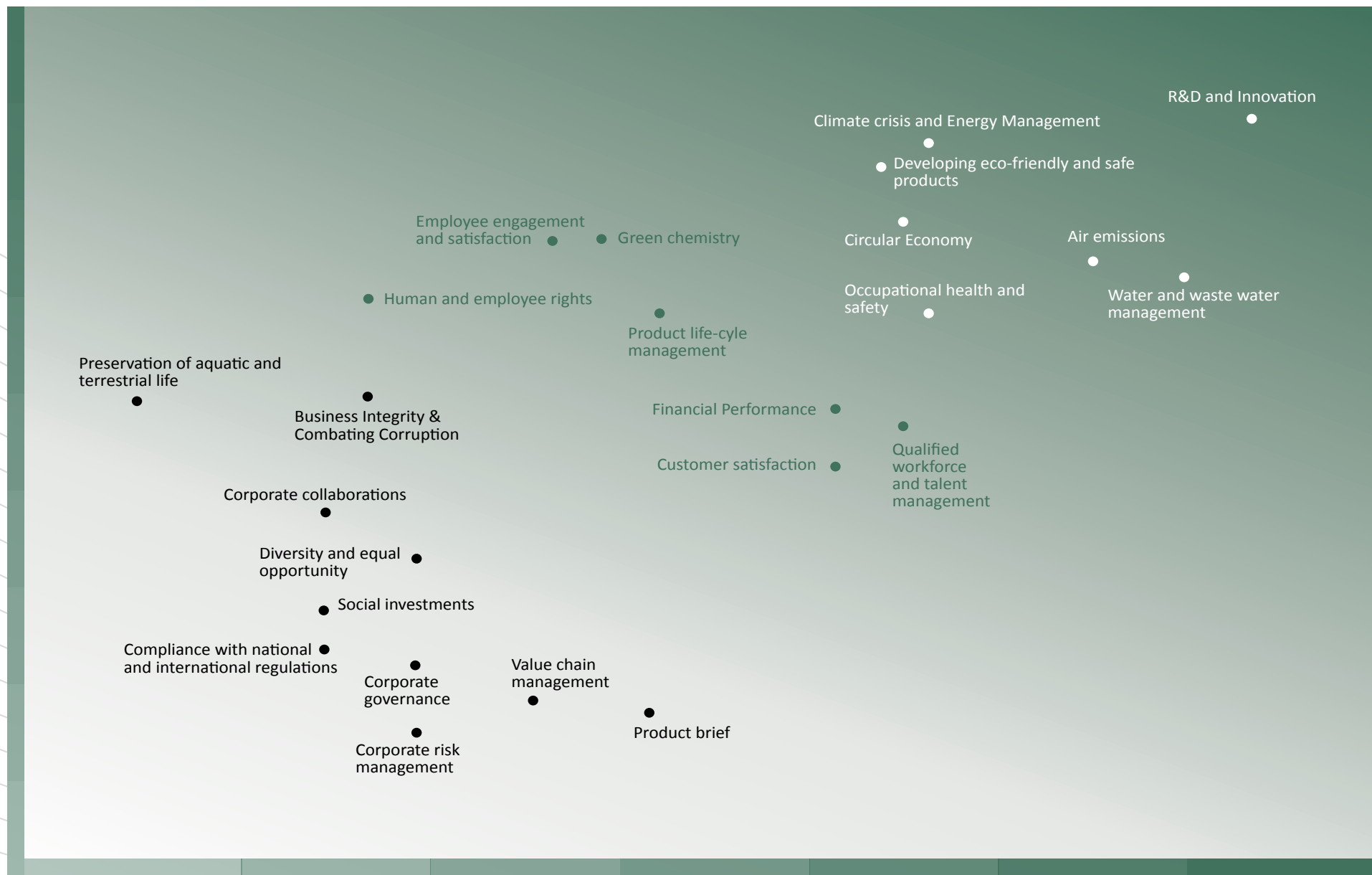
During the process of analysis, we considered the opinions of our internal and external stakeholders, with due consideration for international references such as the Global Risk Report published by the World Economic Forum (WEF), the Sustainability Accounting Standards Board (SASB) sector supplement and the United Nations Sustainable Development Goals.

We examined the identified priority issues based on the SASB's four-stage impact analysis methodology, which allows us to assess different impact and opportunity dimensions. In the study, we classified the issues as "priority", "high priority" or "very high priority".

In line with global developments and our sustainability approach, some of the headings in the prioritization analysis were combined by the Sustainability Executive Board and our prioritization matrix was simplified accordingly.

We identified all sustainability-related issues which offered risks or opportunities, and in this vein, identified emission reduction and sustainable energy management as our high-priority risk-based issues from a financial adequacy perspective.

In the following reporting year, we aim to revisit our priority issues from both an impact and financial materiality perspective, together with the double materiality approach.



Management Prioritization + Strategy



OUR INTEGRATED BUSINESS MODEL AND OUR SUSTAINABILITY STRATEGY

We are aware that we not only need to protect what is on our planet, but also to create value and benefit at a level that can meet the needs of future generations through restorative practices. At Aksa, we evaluate our environmental impacts with a focus on contributing to a better and sustainable future and resolutely implementing our inclusive practices that extend throughout the entire ecosystem.

We assess the impacts of our operations and our processes on our planet, and take action to reduce to reduce these impacts.

We comprehensively evaluate the impacts of all our processes and activities on our planet, both within our organizational boundaries and among our stakeholders in our value chain, and take concrete steps to minimize these impacts.

We treat sustainability not only as a requirement that comes with our responsibility to the environment, but also at the heart of our long-term business strategy and corporate culture, and we design our organization to act accordingly.

In this vein, while we seek continuous improvement in areas such as energy efficiency, waste management and the conscious use of resources, we encourage all of our employees to be a part of this mission and strive to build a future where the next generations will benefit and be a full part of.

We shape our future with people-centric, socially beneficial innovations that respect the biological cycle.

At Aksa, we are aware of our responsibility to people and nature while shaping our future.

Our people-centric approach, which is a part of our culture, derives from our adoption of a perspective that aims to increase the welfare not only of our employees and stakeholders but also the entire society. We prioritize innovation, environmental awareness and social benefit in our products and processes.

Our sustainability strategy not only aims to create economic value with innovative solutions, but also provide environmental and social benefits. In this respect, we prioritize the implementation of practices that respect the biological cycle, ensure efficient use of natural resources and minimize negative impacts on the environment. Our approach to innovation includes contributions to circular economy models with recyclable and biodegradable products that do not harm nature.

At Aksa, we are aware of our responsibility to society for a sustainable world. Considering these values in all our business processes, we focus on developing solutions that offer protection, not only in the present, but also in the future. Thus, we aim to provide a long-term benefit to society by protecting both the ecological balance of the planet and people's well-being.

We grow together with all of our stakeholders by prioritizing our responsibilities to nature, and design our value chain accordingly.

At Aksa, we view the creation of a sustainable value chain which is in line with our environmental and social responsibilities as one of our main goals. We believe we can fulfill our responsibilities together with all of our stakeholders, without limiting them to within our own organizational structure.

In this context, we reconsider all stages from raw material procurement to production processes and from logistics to the end consumer in line with approaches that respect nature and prioritize energy and resource efficiency. Working in close cooperation with our stakeholders, we maintain sustainability standards in all processes right from our suppliers to the end user, and adopt a culture of continuous improvement.

With this approach, we develop business models that contribute to the circular economy, minimize waste production and strive for innovative solutions to reduce our carbon footprint. With our sustainable value chain, we aim not only to minimize our environmental impact but also to add long-term value to society and the economy. Thus, by adapting our way of doing business to the needs of both the present and the future, we contribute towards building a sustainable future for all our stakeholders.

INPUTS

Financial Capital

- » Strong Financial Management

Manufactured Capital

- » 355,000 ton/year production capacity
- » Solvent recovery and polymerization units
- » Power plant
- » Reverse osmosis facility
- » Ship waste reception facility

Intellectual Capital

- » USD 5.5 Million of R&D investment
- » Well equipped R&D Center and competent R&D employees
- » For 2024; 2 registered patents, 8 new patent applications

Human Capital

- » 1,418 skilled and experienced workforce
- » 56 years of deep-rooted corporate culture

Social and Relational Capital

- » Strategic collaborations
- » Solution partnership with customers and suppliers
- » Two-way and strong stakeholder communication

Natural Capital

- » Chemical raw materials, the main raw material being Acrylonitrile
- » Energy
- » Water

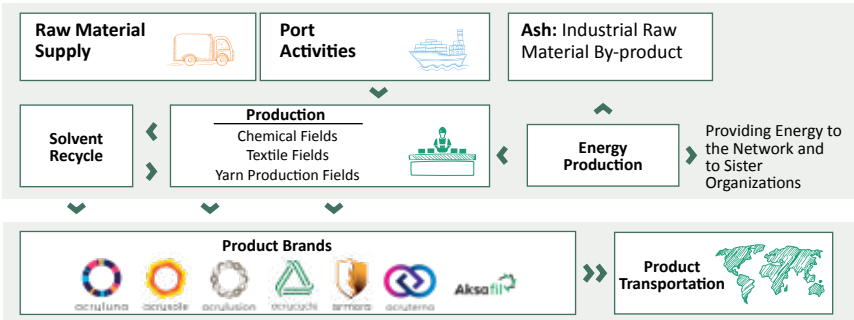
GLOBAL TRENDS

- Climate Change
- Reduction in Natural Resources
- Population Increase
- Digitalization and Technology
- Circular Economy

OUR HIGH GOALS

For sustainability and profitable growth;

- » Maximizing operational excellence
- » Creating an effective supply chain structure
- » Finding new uses for acrylic fiber and raising the awareness of acrylic fiber
- » Growing through new products, strategic collaborations



OUTPUTS

Financial Capital

- » USD 865 Million turnover
- » 49% Export Share in turnover
- » 81% domestic market share
- » Türkiye's only and the world's largest acrylic fiber producer under one roof
- » 3rd place in Corporate Governance rating
- » AAA Stable national score in credit rating

Manufactured Capital

- » Total production of 292,000 tons in 2024
- » USD 510,000 in sustainability-serving project investments

Intellectual Capital

- » 56 years of brand perception
- » Sustainable product innovations, whose share in R&D projects have risen to 54%
- » Modacrylic Armora with flame retardant featurea
- » Acrylusion, long-lived and produced with less energy
- » Our recycling product Acrycyle
- » Being one of the 9 countries in the world where Carbon Fiber can be produced

Human Capital

- » Female employment rose by 52% compared to 2021
- » The rate of female members in the Board of Directors stands at 44%

Social and Relational Capital

- » Strong business partnership network in Yalova
- » Since 2009, being included in the UN Global Compact
- » Fast 6-day deadline giving customers a competitive advantage

Natural Capital












- » 81,358 MWh/year - For 2024
- » 15,397 MWh/year - For 2024
- » Recovery of 1,007,291 tons of water
- » CDP Climate change rating B
- » CDP Water Program rating A-







CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT GOALS

UN 2030 Sustainable Development Goals	Sub-Targets of SDGS Contributed By Akso	Related Section in the Report
4 QUALITY EDUCATION	4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	Employee and Human Rights Practices
5 GENDER EQUALITY	5.1. End all forms of discrimination against all women and girls everywhere 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 5.c. Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	Employee and Human Rights Practices, Talent and Development Management, Social Responsibility Approach
6 CLEAN WATER AND SANITATION	6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Water and Waste Water Management
8 DECENT WORK AND ECONOMIC GROWTH	8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	R&D and Innovation, Social Responsibility Approach, Employee and Human Rights Practices, Employee Health and Safety Practices, Sustainable Supply Chain
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	Natural Resources Management, R&D and Innovation, Digital Transformation
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2. By 2030, achieve the sustainable management and efficient use of natural resources 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Natural Resources Management, Customer Satisfaction and Quality, Sustainable Products, Water and Waste Water Management, Waste Management, Biodiversity and Natural
13 CLIMATE ACTION	13.2. Integrate climate change measures into national policies, strategies and planning 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Sustainable Management Structure, Sustainability Agenda, Energy Management, Emission Management, Employee Health and Safety Practices
17 PARTNERSHIPS FOR THE GOALS	17.16. Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries	Partnerships, Corporate Memberships





SUSTAINABILITY GOALS

Our Targets

We reduce the footprint of our operations	Related Material Topic	Contributed SDG	Target	Target Year	Annual Progress	Base Year Value*	Explanation
	Air emissions	  	Reducing our Scope 1 absolute greenhouse gas emissions by 40%** (Gross Amount)	2035	1,307,153 CO ₂ e	2021 - 1,225,899 tons CO ₂ e	We maintain our target of a 40% reduction in emissions by 2035, with our energy and efficiency projects.
			Reducing CO ₂ emissions by 5% during 1 MWh energy production	2025	13.34 MWh/tons-production	2022 - 12.83 unit	
	Climate crisis and energy management	  	Using an average of 20,000 MWh/year of waste heat in production every year.	2030	81,358 MWh/year	2021 - <20,000 MWh	Our target of generating 10,000 MWh energy by 2024 was revised to 20,000 MWh.
	Water and wastewater management	  	A 30% reduction in the use of fresh water by the end of 2025	2025	2,121,169 m³ - 34% decrease	2021 - 3,238,750 m³	We realised the target ahead of schedule.
	Circular economy	 	To reduce the amount of waste generated during our production by serving wet plaster waste as a raw material to a different industry.	2030	The supply of gypsum to different sectors continues.	-	

We shape our future with innovations	Related Material Topic	Contributed SDG	Target	Target Year	Annual Progress	Base Year Value*	Explanation
	Product development suitable for the environment and human health	 	Creating a bio-based product range	2025	Bio-based project studies are ongoing.		
	Circular economy	 	To realize sustainable product innovations in accordance with the circular economy model	2025	Project studies involving circularity are ongoing.		
	R&D Innovation	 	Raising the share of sustainable product innovations in annual R&D projects	2030	54%	2022 - 32%	Thanks to the new projects initiated, the rate was 68% lower than in the previous year and above the base year.

Our Targets

We grow together with our stakeholders	Related Material Topic	Contributed SDG	Target	Target Year	Annual Progress	Base Year Value*	Explanation
	Occupational health and safety		Zero workforce-lost accident	2030	6 pieces	2022 - 5 pieces	
	Skilled workforce and talent management		Raising the average annual training time per employee to 40 hours	2025	32.3 hours	2022 - 35 hours	
	Customer satisfaction	 	Keeping the overall customer satisfaction score above 80%	2030	84%	2022 - 84%	
	Diversity and equal opportunity	 	Raising the rate of women employees to 21%	2025	16.6%	2022- 14%	
	Value chain management	 	Increasing the participation rate of our Critical/ Strategic suppliers* in the Sustainability Evaluation Survey	2030	87%	2022 - %68	
		  	To monitor the environmental and social performance data of our Critical/Strategic suppliers* and encourage them to set targets for improvement.	2030	Improvement efforts are underway with 12% of our suppliers.	2024 - 12%	These activities are aimed at reducing the number of suppliers that need improvement every year.

* Expressed respect to the value for the base year.

** For Aksa only, excluding affiliates

OUR RISK MANAGEMENT CULTURE

At Aksa, we conduct our activities transparently, accountably, fairly and responsibly.

At Aksa, we conduct our activities transparently, accountably, fairly and responsibly. The Board of Directors establishes internal audit systems, including risk management and information systems and processes which minimize the impacts of risks that may affect the Company's stakeholders, especially its shareholders, by taking the views of the relevant Board of Directors committees into account.

In this regard, the Early Detection of Risk Committee is responsible for ensuring the effective operation of the committees within the Board of Directors in accordance with Article 378 of the Turkish Commercial Code No. 6102.

The Committee prepares a bi-monthly report with a total of six reports per year, and provides advice and recommendations to the Board of Directors on the early detection, evaluation, calculation of the impact and probability of all kinds of risks including strategic, financial, operational, reputation and compliance risks that may affect Aksa, including sustainability issues. These risks are managed and reported in accordance with the Company's corporate risk profile, with necessary measures regarding the identified risks implemented and consideration given to the risks in decision-making mechanisms. Accordingly, effective internal audit systems are established and integrated. In addition to the independent Board members who are committee members, the Internal Audit Manager,

Accounting and Reporting Manager, Financial Affairs Director and General Manager attend the Committee meetings.

Our risk inventory is one of the most important monitoring tools used by Aksa in its risk management activities. The risk inventory management process is carried out through annual risk workshops and review meetings held with departments under the coordination of the Financial Affairs Department. Risk and opportunity assessments are carried out in these workshops and meetings with action plans created with the participation of the relevant department managers and directors. Risk officers are determined under each department, and the inventory is kept dynamically up-to-date throughout the year.

The risk inventory, which is created in accordance with the company's corporate risk management policy by taking into account the global situation, climate change and sustainability priorities, environmental impacts, the proper use of resources, occupational health and safety, sales, efficiency, income generation capacity, profitability, indebtedness and all future expectations, includes Aksa's operational, financial, compliance, reputation and strategic risks. Risks with high or very high scores are monitored at Board level, detailed action plans are created and a risk owner is assigned for each risk. The risk owner is responsible for managing the relevant risk within the framework

of the agreed action plan. Thus, the risk management philosophy is a permanent fixture in the routine work agenda for Aksa managers. This philosophy, which is updated in line with sectoral and institutional developments, forms an inseparable part of Aksa's practices. Thus, issues within the scope of both strategy and sustainability priorities (such as climate risk, occupational health and safety and environmental impacts) are evaluated on the basis of the current risk situations and necessary action plans and relevant practices are put in place.

When it comes to our sustainability priorities, reducing emission levels and sustainable energy management are areas deemed to be of high risk at Aksa. Bottlenecks in the supply chain and sales network, which may arise due to the recent tensions and conflicts between various countries, represent another risk. In addition, risks arising from natural disasters remain high on Aksa's agenda. In this vein, projects are being carried out to strengthen or reconstruct existing buildings and facilities in accordance with ongoing investment plans. Disaster plans and scenarios are kept up-to-date with regular drills. Cyber-attacks, especially ransomware and phishing, which have become more prevalent of late and have affected many companies around the world, have also increased the importance of managing cyber-security risk. In this respect, the "Cyber Security Committee", established within Akkök Holding, evaluates both existing threats and the tests and measures to be taken.



03

WE ARE RESPONSIBLE FOR OUR PLANET

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OUR NATURAL RESOURCE MANAGEMENT

We are aware that it is vital not only to protect what exists on our planet but also to create value and benefits to a level that can meet the needs of the next generations with restorative practices.

We are aware that it is vital not only to protect what exists on our planet but also to create value and benefits to a level that can meet the needs of the next generations with restorative practices. At Aksa, we are more determined to roll out practices that will affect all layers of the environment and our approaches, including environmental issues which we integrate with innovation, with a focus on achieving what is better, more beneficial and will add value to the future.

While the rapid increase in population, industrialization and changing consumption habits have led to a rapid depletion of natural resources, climate change and geo-economic uncertainties have meant access to these limited resources has become more difficult and costly. We are aware that business models based on the efficient use of resources and the circular economy approach are of critical importance for sustainable development in the business line we serve and in all of the sectors where we strive to provide added value.

At Aksa, we focus on the responsible and efficient use of resources, waste reduction and the protection of biodiversity and ecosystems in all of our activities in line with our Management Systems Policy.

Going beyond the requirements set out by legislation and regulations, we monitor and report our environmental impacts with our measurements, analysis and calculations,

and aim to minimize the pressure on natural resources within the framework of sustainable development and continuous improvement. While reducing our environmental impact through the efficient use of water, energy and raw materials, we also strive to increase our competitiveness by providing cost advantages.

With processes that focus on operational excellence and efficiency, we strive to produce the most by consuming the least.

By changing the turbines we use in our power plant, we increased the amount of energy generation for each unit of fuel consumption.

With our LEED Gold certified head office building, we have succeeded in creating an efficient and lower energy environment. We constantly monitor our compliance with REACH, Oekotex® and other international legislation and standards regarding the environmental and human health compliance of the raw materials we use in our process and carry out chemical management processes accordingly.

We continue our measurements and studies to monitor marine ecology and water quality in the Sea of Marmara, the largest natural habitat in our area of influence.

OUR WATER AND WASTE WATER MANAGEMENT

In our last reporting year, we raised our CDP Water Security grade to A-, being ranked at the “leadership” level, confirming our implementation of current best practices.

Water and Wastewater Management is one of the priority issues of our focus on sustainability. In this vein, we take a holistic approach to the efficient use of water, the evaluation of alternative sources and improving the quality of the wastewater entering the receiving environment.

Our Corporate Water Footprint Report, which we have prepared within the scope of the ISO 14046 standard, has been verified by an independent external audit institution since 2017.

In addition to reporting on Climate Change, we have been reporting on Water Security under the CDP since 2019. In our last reporting year, we raised our CDP Water Security grade to A-, being ranked at the “leadership” level, confirming our implementation of current best practices.

In line with our sustainability approach, we aim to reduce freshwater consumption and integrate alternative water resources into our processes to tackle climate change and the risk of water scarcity. In this area, we completed our work on increasing efficiency and capacity in the Reverse Osmosis Unit, which we commissioned in 2015, as planned and reached a capacity of 600 tonnes per hour by the end of 2024. Accordingly, we were able to obtain a large portion of the water we needed from the sea, thus minimizing our use of freshwater. We continue to implement improvements that will minimize consumption by focusing on the most efficient use of water in all of our operations.

We aim to complete the first phase of the project we initiated regarding the re-evaluation of wastewater originating from the processes in our polymerization unit during 2025. Thus, by using the permeated water generated in our polymerization unit, we will be able to re-use more than 20% of the wastewater in our relevant unit as a result of the first phase of the project.

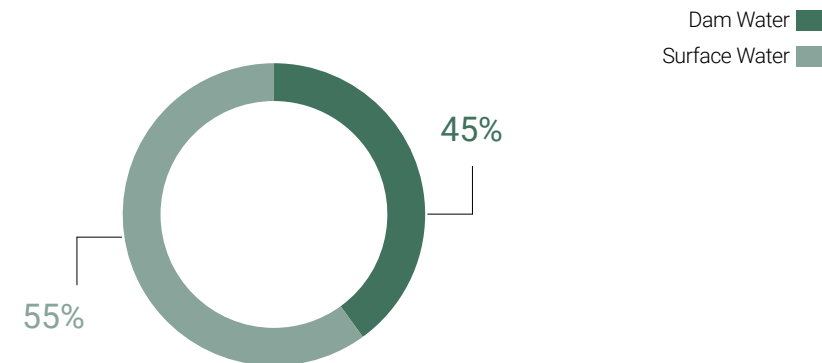
We continue our continuous review and improvement efforts for the recovery of condensate water produced in our production sites. The project, which we completed in 2024, paved the way for the re-use of more than 300 tonnes of water per year.

Although our priority at Aksa is to reuse the water we use within the facility, we send all wastewater which cannot be reused to our common treatment plant with a capacity of 15,000 m³/day, after which it is directed it to the receiving environment after undergoing treatment processes which, at the very least, meet the national legislative limits.

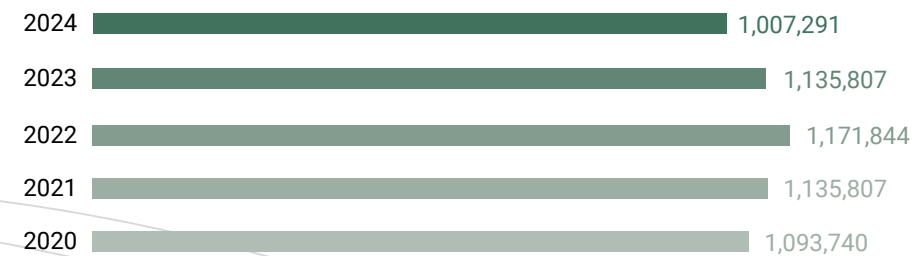
We continue our measurements and studies to monitor marine ecology and water quality in the Sea of Marmara, which is the largest natural habitat in our area of influence. Thanks to advanced treatment technologies, we have reduced levels of nitrogen and phosphorus, which can cause negative effects on the marine ecosystem. As such, we have sought to resolve the problem of “mucilage”, one of the most important blights in our ecosystem, at its source. In addition, all wastewater parameters are monitored in real time by the Ministry of Environment, Urbanization and Climate Change through the online system.

We instantly transmit all wastewater parameters recorded by our continuous wastewater monitoring system to the Ministry of Environment, Urbanization and Climate Change through the online system, enabling tracking of the relevant parameters.

By Source Water use (m³)



Amount of Recovered/Reused Water (m³)



OUR EMISSION MANAGEMENT

We closely follow global risks and evolving national and international legislation, and consider investment opportunities for low-carbon energy supply and production technologies.

We meet the steam and electricity requirements of our energy-intensive production processes from our own power plant. We take all technical and operational measures to keep our emissions under control, both during this time and during our production processes.

We keep our FGD (Flue-gas desulphurisation) and DeNOx systems, which will enable us to keep nitrogen compounds and sulphur compounds in our combustion chimneys, constantly operational, and use a high-efficiency electrostatic filter (ESP) to remove dust emissions. We have our emissions monitored by the Ministry of Environment, Urbanization and Climate Change with the Continuous Emission Measurement System for online and instant monitoring.

Since 2010, we have been calculating our company's carbon footprint within the scope of the ISO 14064-1 and GHG standards, with the results verified by an independent external auditor. We calculated our emission calculations for 2024 in accordance with the ISO 14064-1 standard. The relevant Verification Report for the reporting period is included in the Certificates section of our website.

We closely follow global risks and evolving national and international legislation, and consider investment opportunities for low-carbon energy supply and production technologies.

When calculating our greenhouse gas emissions, we separately calculate and report Scope 1 emissions, which are our direct operations, Scope 2 emissions, from the energy we purchase, and Scope 3 emissions from the areas we affect during the course of carrying out our operational activities.

OUR ENERGY MANAGEMENT

Within the scope of our research studies on the use of new technologies in energy generation, we continue our cooperation with industrial organizations, universities, public institutions and specialised consultants to evaluate sustainable alternative fuels correctly.

We meet the steam and electricity requirements of our energy-intensive production processes from our own power plant, taking all technical and operational measures to keep our emissions under control, both during this time and during our production processes.

With our capacity to generate 155 MW of electricity and produce 1,005 tonnes per hour of steam, we continued to enhance the operational continuity and efficiency of our energy production and on-site distribution facilities through the improvement and maintenance work carried out in 2024.

We prioritize energy efficiency projects in our investment plans.

In this context, we are nearing the end of the work to replace the 25 MW interdraft steam turbine with a new 35MW capacity turbine. With this USD 12.5 million investment, we aim to generate 40% more electricity per unit of fuel.

Within the scope of our research studies on the use of new technologies in energy generation, we continue our cooperation with industrial organizations, universities, public institutions and specialised consultants to evaluate sustainable alternative fuels correctly. We will continue to shape the energy sustainability roadmap of the coming years in line with these studies.



In 2024;

- ◆ **Our energy saving projects** saved 15,397 MWh/year of energy.
- ◆ **We recovered 81,358 MWh/year of waste heat and** reused it in our processes.
- ◆ **We continued to fully** and completely implement the ISO 50001 Energy Management System standard.

OUR WASTE MANAGEMENT

Last year, we ensured that waste ashes from our energy production activities were used as raw materials in different sectors.

In line with our approach to zero waste management and the transition to a circular economy, we are working to reduce, reuse and recycle waste at the source. Within the scope of the Zero Waste Management System carried out by the Ministry of Environment, Urbanization and Climate Change, we collect our waste separately in accordance with the requirements of the zero-waste certificate we hold, and dispose of them in accordance with the legislation depending on the type of waste.

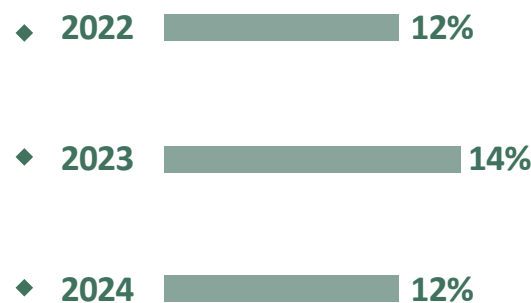
We carry out our waste management activities in cooperation with the Environmental Directorate of the Yalova Composite and Chemical Specialized Organized Industrial Zone, which we are a part of, and our Health, Safety and Environmental Directorate. We reduce the consumption of natural resources and contribute to circularity by recycling our process wastes generated during and after production back into our production cycle, or by directing them as raw materials to different sectors. For this purpose, we maintain our continuous monitoring and measurement activities and develop improvement projects.

Last year, we ensured that waste ashes from our energy production activities were used as raw materials in different sectors.

We carry out our waste management activities within the framework of our Waste Management Plan, and keep records of the processes up to the disposal of the wastes in our temporary waste storage areas in accordance with the conditions determined within the scope of the Waste Management Regulation, and deliver them to licensed companies.



Non-hazardous waste recycling rate:



BIODIVERSITY AND NATURE

We carry out assessments of our production facilities and the surrounding vegetation, animal life and aquatic ecosystems.

At Aksa Akriklik, we monitor the effects of our operations on biodiversity in line with the principles of the Convention on Biodiversity (CBD), which is a part of the United Nations Environment Program.

We carry out assessments of our production facilities and the surrounding vegetation, animal life and aquatic ecosystems. In this process, we identify rare species that need protection and implement monitoring and conservation projects to support the continuity of the species.

We are well aware of the value of the extensive biodiversity and natural riches around Yalova, where our production facility is located. We do not only work to protect these resources, but also seek to create benefits that will provide opportunities for improvement and self-renewal. We are constantly preparing for accidents and have mechanical collection equipment at the ready to prevent the spread of any hydrocarbon compounds which could be released into the marine environment in the event of possible accidents. We have been conducting marine pollution drills twice a year since 2005 in cooperation with the Provincial Directorate of Environment and the Port Authority. In addition, we ensure continuous monitoring of the aquatic ecosystem in our area of influence, by voluntarily having seawater samples taken from four different points every three months and analyzed, contributing to our efforts to protect the marine environment.

With the Biodiversity Monitoring Project, which we initiated in 2023 and carried out in six stages, we implement scientific studies in accordance with the European Green Deal, the EU 2030 Biodiversity Strategy, the EU Water Framework Directive and national regulations. In line with the biodiversity roadmap we have prepared within the scope of the project, we carry out work on monitoring, evaluation and implementation.

We continue our monitoring studies to include vascular plants, macrophytes, mammals, birds, reptiles, amphibians, fish, macro-benthic invertebrates, phytoplankton and phytobenthos organisms.

04

OUR RESPONSIBILTİY TO PEOPLE & SOCIETY

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BEING A PART OF AKSA

We view compliance with international standards not only as an obligation, but also as a part of our corporate culture. We prioritize employee health and safety and aim to create an environmentally friendly working environment which is based on cooperation and sustainability.

With more than half a century of experience, we at Aksa focus on our employees who provide such a valuable contribution to our success while observing a balance of operation, production and efficiency.

In line with our company vision, we aim to recruit talented individuals who will contribute to our team, while supporting their development and providing a fair working environment. In order to increase employee satisfaction, we provide equal pay for equal work and fringe benefits, and contribute to their career development by monitoring their performance.

We support the technical and behavioural development of our employees with internationally recognized tools and training programs to maximize their competencies. We create an efficient working environment by adopting an egalitarian and inclusive approach in our human resources processes.

We view compliance with international standards not only as an obligation, but also as a part of our corporate culture. We prioritize employee health and safety and aim to create an environmentally friendly working environment which is based on cooperation and sustainability.

OUR EMPLOYEE AND HUMAN RIGHTS PRACTICES

At Aksa, we always act with an honest and fair approach to our employees and provide a respectful and people-centric working environment. We implement our personal practices by upholding the rights of our employees.

In line with our commitment to human rights, we have implemented “Aksa Human Rights Training” to raise employee awareness on this issue. This training is aimed at creating a conscious and sustainable work culture by focusing on issues such as universal human rights principles, ethical and fair practices in the workplace, prevention of discrimination and fundamental labour rights.

We adopt a zero-tolerance policy in respect to harassment, violence, child labour and forced labour, and we set out this commitment clearly in our Human Rights Policy.



In 2024;

- ◆ New positions: **250**
- ◆ Proportion of female employees: **17%**
- ◆ Proportion of female employees with the title of manager or above: **12%**

Within the scope of the Aksa Human Rights Policy:



We treat our employees fairly and respectfully.



We observe diversity and equal opportunity.



We take all necessary measures to ensure a safe and peaceful working environment.



We prioritize employee health and safety.



We do not tolerate psychological violence, threats, intimidation or behaviours that could damage personal dignity.



We expect our suppliers and stakeholders to demonstrate the same sensitivity on the subject of forced labour.

OUR TALENT AND DEVELOPMENT MANAGEMENT

We offer training programs to help our employees develop their technical and individual competencies within the scope of career development.

At Aksa Akrilik, we aim to maximize our employees’ potential by supporting their development. We create modern and efficient working conditions with the aim of attracting talented individuals to our company and ensuring long-term cooperation. We evaluate the competencies of our employees with up-to-date human resources practices and offer programs that support their career development.

Our performance management process begins by disseminating the company goals at the beginning of the year with the individual goals of our employees then determined, and the process is followed up with regular feedback provided throughout the year. We evaluate the strengths of employees as well as areas open to development with objective criteria, and use the results as a basic input in career planning.

At Aksa Akrilik, remuneration, bonus and promotion processes are carried out based on the evaluation of employees’ individual performance targets. Performance targets are determined within the scope of the dissemination of the company’s general goals and strategies, and sustainability and climate-related targets are also evaluated within this scope. Employees’ sustainability-oriented contributions, compliance with strategic goals and contributions to performance criteria

are taken into account in the remuneration process. The Target Committee, which was established to ensure the that the company’s goals are measurable and in harmony with the units, supports the progress of the process in a sound and objective manner.

We offer training programs to help our employees develop their technical and individual competencies within the scope of career development. In line with our competency model, we help them develop their strengths by identifying areas open to improvement.

Our specialist-level employees have the opportunity to develop their professional competencies within the scope of the Specialist Development Program, which is designed in parallel with Aksa’s vision and mission within the Aksa Academy. This personal development-oriented program offers a systematic learning process that supports our employees’ career development.

As of 2025, 90% of our employees in professional roles had completed the Specialist Development Program.





- ◆ Number of university events in 2024: 15
- ◆ Number of mentor-mentee participants in 2024: 23 Mentees and 20 Mentors
- ◆ Number of students joining Aksa within the scope of express career internship by the end of 2024: 11
- ◆ Number of university students performing internships during 2024: 148

Within the scope of our leadership development practices, we evaluate the competencies of our employees **with the Leadership Potential Inventory** in line with **our Competency Model** and aim to train future leaders within the company by carrying out **Aksa Academy Leadership Programs** in cooperation with universities. Designed in line with **Akkök Holding's competencies**, this program helps employees develop their leadership capacities and play a more active role in team management and the strategic decision-making processes. In this vein, we aim to maximize the potential of leaders and ensure a sustainable contribution to organizational success. Of those who had participated in our Leadership Programs by 2025, In 2025, 92% had successfully completed the programs.

In addition, the MENTORA Program **brings senior and mid-level management level mentors together with executive and specialist level employees**, allowing our employees to take concrete actions for their development areas.



At Aksa, we care about supporting the professional and personal development of our employees. In this vein, we offer various training and development programs through the Aksa Academy, which was created in a structure compatible with the company's

strategy. At Aksa Academy, we carry out development planning processes and prepare training programs in the technical and personal fields to improve the competencies of employees.

We organize **Finance School, Textile School and Chemistry School** programs with the contributions of internal trainers within the scope of the Technical Schools operating within the Aksa Academy. These programs allow new employees to become more closely acquainted with the corporate culture, while providing experienced employees with an opportunity to follow developments in the sector.

In order to support employee development, we offer foreign language courses, support with Masters degree and doctoral programs as well as training within the Aksa Academy. In addition, we encourage employees to participate in domestic and international fairs so they can keep their finger on the pulse of sectoral developments. Through the internal posting system and rotation applications, we provide employees with the opportunity to gain experience in various positions and support their career development.

We participate in university events to interact with young talent and provide opportunities for their careers. With our **“Express Career Internship Program”**, we offer 3rd and 4th year undergraduate students as well as graduate students in universities the opportunity to carry out internships in various departments of the Company. When they complete their internships, they can complete the program by presenting their observations about their projects and the Company to the managers.

EMPLOYEE ENGAGEMENT AND SATISFACTION

At Aksa, we aim to create and maintain a highly committed and result-oriented working environment in line with the corporate culture that is people-oriented and encourages development.

We aim to provide an efficient work environment and support employee motivation with the remuneration and fringe benefits we offer our employees.

In order to increase employee loyalty within the company, we select 16 of our employees as “Exemplary Aksa Members” each year within the scope of the “Recognition and Appreciation Procedure” and offer encouragement to employees with a system of instant rewards for those accomplishing certain

achievements. We present seniority plaques to our employees who have completed 5, 15 or 25 years of service in the company.

At Aksa, we use various communication channels such as the Representation Committee, the Suggestion System, Employee Surveys and “I Have a Question for HR” to evaluate suggestions and feedback from employees.

The Representative Committee, which acts as a bridge between our employees and the senior management, and was established on a voluntary basis in 1996, aims to convey the suggestions and demands of employees to the senior management, to announce the company's decisions effectively and support the continuous improvement of the working environment.

Employee Fringe Benefits:

All employees working at Aksa benefit from the following fringe benefits;

- *The four bonus salary payments provided each year may be provided in monthly payments, depending on the employee.*
- *Social assistance equal to two minimum wage payments per year*
- *Monthly social benefits (such as family or child allowance)*
- *Social benefits provided for special occasions such as marriage, birth, death and child education.*
- *Private health insurance covering employees and their families*
- *Advance support based on needs*
- *4-day weeks with remote working*
- *Flexible working for employees in professional and office roles*
- *Advance support for professional level employees who are carrying out paid military service, if requested, repayable after two years*
- *Accommodation for newly recruited employees in specialist and higher roles*



◆ For 2024 Annual training hours:

45,863 hours

◆ For 2024 Average training hours per year:

32.3 hours/person

OUR WELL-BEING, WELFARE AND LIFE BALANCE PRACTICES

We broke new ground with our “4 Day Week” application.

In order to support the psychological well-being of our employees, we organize individual sessions through our corporate psychologist and provide counselling services on issues such as occupational stress, motivation and performance. In addition, we provide webinars to raise awareness of current issues among employees.

In order to support the work-life balance, we implemented the **“4 Day Week” application in 2023**. This model, implemented for the first time in Türkiye, increases the motivation and productivity of our employees and allows them to devote more time to their personal lives. This innovative application was acclaimed with the “Creating Value in the Business Life of the Future” award in the “Peryön Human Value Awards” given by the People Management Association of Türkiye (Peryön) and recognized by the European People Management Association (EAPM). In addition to the opportunity to work in the office, we also offer our employees a remote working model, creating a flexible and efficient working environment.

By planning our 40-hour working week with a four-shift model for our employees working in operations, we ensure continuity and operational efficiency in business processes. The flexible shift system allows our employees to maintain their work-life balance by determining working hours that suit their personal needs.

We organize a “Welcome Cocktail” to support the adaptation processes of our newly recruited employees in specialist and higher positions, increasing interaction between employees and facilitating their adaptation to the corporate culture.

Developed as part of Aksa’s digitalization process, the **Together Proudly Aksa (BGA)** mobile app allows our employees to easily access up-to-date information and manage individual and corporate processes in a digital environment. We have rolled out this app, which strengthens internal communication, in line with our digital transformation goals.

We maintain our efforts to develop applications that support the work-life balance of our employees and increase the flexibility and efficiency of the working environment.

OUR APPROACH TO EQUALITY AND INCLUSION

We see compliance with international standards not only as an obligation, but also as a part of our corporate culture. We prioritize employee health and safety and aim to create an environmentally friendly working environment based on cooperation and sustainability.

At Aksa, we promote diversity, justice and inclusion as key elements of corporate success. As a company operating in the chemicals industry and serving different sectors, especially the textile industry, we act with an awareness that different perspectives, backgrounds and experiences contribute to innovation and growth.

Our Equality and Inclusion Policy adopts the principle of equal opportunity at all levels of our organization and aims to provide a working environment where all employees are respected and their contributions are valued. In this direction, the Company carries out its remuneration and promotion processes within the framework of the principle of equal pay for equal work; we base our evaluations on the performance and competencies of our employees.

With our Women’s Employment and Women’s Board Membership Policy, we aim to support equal opportunities for men and women and increase the representation of female employees in decision-making mechanisms. In this vein:

- We do not discriminate on the basis of gender in recruitment, training and career planning processes
- We aim to ensure that at least 25% of the members of our Board of Directors are women
- We are working to increase women’s employment.

OUR EMPLOYEE HEALTH AND SAFETY PRACTICES

We apply the highest standards for our employees to operate in a safe, healthy and ergonomic working environment, and continuously improve our business processes in this direction.

At Aksa, we consider employee health and safety as one of our main priorities, and aim to adopt and continuously improve the occupational health and safety culture throughout our organization. We apply the highest standards for our employees to operate in a safe, healthy and ergonomic working environment, and continuously improve our business processes in this direction.

With the work we carry out in this vein, we aim to reach the goal of “zero accidents with workforce loss” by 2030. The practices we have implemented in line with our approach of continuous improvement and operational excellence not only improve the working conditions of our employees, but also help shorten the downtime and maintenance times by increasing operational efficiency.

We are committed to embracing the highest standards of health and safety for our employees and leading the industry with our pioneering practices in this field.

We carry out our Occupational Health and Safety (OHS) activities in line with our Management Systems Policy and legal regulations, integrated with quality, environmental and energy management systems. We hold periodic meetings every month with our OHS Board, in which all unit managers also take part, as well as those whose participation is legally obligatory.

We use internationally accepted risk assessment methods together with national legislation to identify, prevent and manage risks in the work environment. Supported by methodologies such as 5x5 matrix, FMEA, HAZOP, Bow-Tie and LOPA, Chemical Exposure Assessment and Dow F&EI, we carry out risk assessment studies, perform routine audits and strive to keep our risks within the acceptable level. With our approach of “People First, Safety First”, we adopt a proactive management approach in the field of Occupational Health and Safety (OHS) and encourage our employees to report any dangerous situations under all circumstances, to exercise their right to refrain from working, and to report near misses. We ensure that notifications are easily received through the BGA Mobile application.

We are aware that the activities carried out within the scope of OHS are a culture. That is why we provide regular training, organize events and ensure that the working environment remains safe through observations so that our OHS culture is adopted by all employees and subcontractors. In order to ensure the safety of our employees, subcontractors and visitors, we fully implement the **Aksa Golden Rules** throughout our facility.

Aksa Golden Rules

➤

1. RISK ASSESSMENT

We only begin work after assessing the risk.

➤

2. PROCESS SAFETY

We do not operate unsafe processes.

➤

3. WORK PERMIT SYSTEM

We do not work without a valid work permit.

➤

4. LOCKOUT/TAGOUT

We do not start work without isolating and controlling hazardous energy.

➤

5. WORKING IN CONFINED SPACES

We do not enter enclosed spaces without ventilation control.

➤

6. WORKING AT HEIGHTS

We follow working-at-height rules and do not work without safety harnesses.

➤

7. PPE USAGE

We do not work without appropriate personal protective equipment (PPE).

➤

8. SAFETY CULTURE

We embrace safe working environments and behaviors

➤

9. CHANGE AGEMENT

We do not make technical and organizational changes without authorization.

➤

10. EMERGENCY MANAGEMENT

We are aware and implement what to do in emergencies.

➤

11. SUBCONTRACTOR AND CONTRACTOR MANAGEMENT

We select safe subcontractors and contractors.

Organized in July in order to increase the awareness of our employees on Occupational Health and Safety (OHS), we continued our activities to increase OHS culture and awareness together with our stakeholders with the Family Day Picnic Organization, which included games to increase OHS awareness, and the Investment, Maintenance and HSE Summit held in September. With our event, which was held with the participation of 30 companies, we provided an important platform in terms of strengthening cooperation in the context of OHS.

We prepare our emergency plans for potential disasters and accidents that may cause heavy damage, and carry out regular drills to raise awareness and implement skills. Together with our YALKİM OİZ Fire Brigade, which we are a part of, we respond to emergencies, carry out equipment checks and conduct weekly emergency drills.

With our competent emergency response team, we provide support to our sister companies located on the Yalova site and to our stakeholders and neighbours in our province with the approval of the governorship. We strengthen our preparations against risks that are growing with climate change, and care about raising awareness of our employees in responding to emergencies.

While our health unit, which provides a 24/7 service, offers support for our employees, we also organize training to increase first aid knowledge and skills. The Aksa First Aid Training Center, opened in 2023, supports the training of certified first aiders with programs approved by the Ministry of Health. In 2024, a total of 121 of our teammates participated in first aid training and renewal training, and received certificates. We aim to increase the total number of first aiders by 55% in 2025.

Within the scope of the Accident Prevention Culture (STEM) Project, which we carry out in order to develop and rollout a behavioural safety culture throughout the company, we plan improvement studies by analyzing the current situation every year in order to prevent occupational accidents and reduce unsafe behaviours and conditions. In 2023, we restructured the work we started in 2015 and renamed it as the “Aksa Security Culture Enhancement Team” (AKAT) to offer a more positive approach.

Aksa Safety Culture Enhancement Team (AKAT):

Total Number of Active Observers:



Total Observations Made:



Contact Rate:



Total Number of Employees Observed:



In addition, in order to support the adoption of OHS culture by managers, we organized an occupational safety leadership program for managers and supervisors within the scope of LDI (Leadership Diagnostic Instrument) and Safe Align projects.

We have launched a special development program for supervisors (foremen, supervisors, shift supervisors) to ensure that occupational safety is strongly enforced at the field level. We planned a three-stage training process for 30 supervisors throughout 2024. Following these training sessions, we organized one-to-one coaching and field trips so supervisors could actively start their occupational safety leadership roles.

Our OHS Contribution Projects:

- Earthquake Detection and Pre-Warning System

We placed nine earthquake detection sensors in appropriate locations within the boundaries of the Yalkim Industrial Zone, and equipped our site with high-precision accelerometers that are able to detect vertical or lateral movements. Thus, by being able to detect the first seismic wave (the P-wave), which moves faster than the more destructive waves that follow in an earthquake, we are able to ensure that a preliminary warning can be given a few seconds before an earthquake strikes.

- Emergency Stop (ESD) Mechanism and Automatic Protection

By identifying high-risk equipment groups in the event of an earthquake, we created automatic emergency stop scenarios for this equipment. Thus, by integrating the signals from the sensors connected to the Earthquake Detection System with SCADA and DCS systems, we are able to automatically perform critical actions such as cutting off the power, closing gas valves and halting chemical processes.

With this integrated system, we have created a pioneering model for disaster management and risk reduction in industrial facilities, ensuring employee safety and supporting environmental and economic sustainability.

- Security Management System Studies

Within the scope of process safety management, we evaluate process risks that may result in serious injuries, material damage, production losses and environmental impacts, and take the necessary measures to reduce and prevent risks to acceptable levels. In this context, we constantly monitor the following processes and carry out improvements at every step.

In this context;

- HAZOP review studies,
- Major Accident Scenarios and Emergency Management
- Preparation of Explosion Protection Documents
- Periodic Inspections of Explosion proof Equipment,
- Risk-Based Inspection (RBI) and Reliability-Centred Maintenance (RCM) Studies and Maintenance of Critical Equipment

- Polymer Powder Fire and Explosion Prevention Systems

We take extensive precautions and use a variety of systems to minimize the risks of fire and explosion in polymer drying, transfer and storage processes. Working in cooperation with the Operation, Automation Maintenance, Mechanical Maintenance, Process Development and Investment Departments, our HSE directorate carried out DCS integrations of flash dryer and fluid bed dryer fire systems.

- BGA “I am Safe” Module

We have commissioned the “I am Safe” module, which was developed on the Together Proudly Aksa (BGA) Mobile system, which can be accessed by all employees and used on all mobile platforms, as a critical system that allows employees to quickly report their security status in an earthquake or in other emergency scenarios. Accordingly, employees may report whether they are “safe” or not in an emergency, with the module providing advantages such as instant information flow, location tracking, separation of drills and real emergencies, and digital reporting.

The year 2024 in summary:

We updated the Internal Emergency Plans, which cover 100 Major Accident Scenarios in which dangerous situations such as fire, explosion and toxic spread are evaluated.

Within the scope of emergency management, we organized a total of four emergency evacuation drills, three during the day and one at night. The crisis centre room played an active role in the two daytime exercises.

The Provincial Directorate of Environment, Urbanization and Climate Change carried out an audit on Emergency Management.

We took the decision to initiate an explosion cap project to protect polymer storage silos and separators in polymer powder drying, transfer and storage systems, to identify possible ignition sources and to detect and extinguish fires and explosions.

In the implementation leg of the earthquake detection system, we determined the actions to stop leakages from hazardous chemical storage tanks before and during earthquakes, and implemented these measures.

OUR SOCIAL RESPONSIBILITY APPROACH

Support for the Earthquake Zone

Akkök Holding and its group companies established a support centre in Iskenderun in cooperation with the Community Volunteers Foundation (TOG) in order to heal the wounds of the devastating earthquake which struck on 6 February, 2023.

The support centre, which was established in cooperation with the Community Volunteers Foundation (TOG) for citizens affected by the earthquake in Iskenderun, offers social and emotional support programs for children, adolescents and young people.

We also support the “Face to Face with 100 Women” Project, which is implemented by Akkök Holding and its group companies, the Community Volunteers Foundation (TOG) and the Cogito HR Consultancy. With the project, which aims to increase women’s participation in business life and strengthen gender equality, we aim to bring women to a stronger position in the business world by providing training, mentoring and job opportunities.

Construction of a New Technical High School

Since our inception in Aksa in 1971, we have undertaken many investments in Yalova, especially in the field of education. Our latest such investment is the technical high school, which is to be built in the Çiftlikköy district, and is planned to be completed within two years, with the existing Aksa Vocational High School then moving to the new building. Designed by taking all of the requirements of vocational education into account, the high school will feature cutting-edge innovations. The high school, which will be built on an area of 5,270 m2, will feature workshops, laboratories, a library and a gymnasium as well as classrooms. Once the construction work is complete, the high school will be transferred to the Ministry of National Education on a turnkey basis.



The Chemistry of Equality

Working together with our sister companies, Akkim and Dowaksa, we took a long step towards gender equality in society with the launch of the “Chemistry of Equality” project.

Aiming to empower women and increase girls’ access to education, we launched the first leg of the project in Yalova with the program entitled “Lively Meetings” in cooperation with the Mother Child Education Foundation (AÇEV).

Under the project, we provide training to women between the ages of 19-50 on subjects such as literacy, mathematics and life skills, and we help girls to continue their education and develop their life skills in the “Young Lively Meetings” program organized for girls between the ages of 14-18. The programs, which are implemented on a face-to-face basis with an egalitarian approach in an active, participatory and sharing-based environment, continue over 8-week periods.



Restoration of the Raif Dinçkök Cultural Center in Yalova

The Raif Dinçkök Cultural Center (RDKM), which we brought to Yalova on behalf of the Akkök Group of Companies to carry out artistic and cultural activities for the people of Yalova and international guests, was renovated by Akkök Holding Yalova Companies.

The renovation work of the Raif Dinçkök Cultural Center, which needed repair in certain areas, included the rebuilding or renewal of the existing insulations, drains and guttering. The air conditioning system of the building's theatre was renewed, creating a more comfortable space.

Along with this, work was also carried out to remove the central air conditioning unit and install insulation.

Aksa Experience Area (ADA)

In line with the principles of sustainability, we bring the transformation journey of acrylic fiber to our visitors on an interactive platform with the Aksa Experience Area (ADA) project. With ADA, we demonstrate the production process, evolution and untapped potential of acrylic fiber, which is a vital raw material in various industries.

We provide visitors with a window on the transformation of acrylic on an interactive platform, taking participants on a unique journey of a material that revolutionizes design, art and industries. Spread over a 570 m² area at our Yalova site, the Aksa Experience Area consists of 22 different stations and presents the usage areas and properties of acrylic fiber with a range of eye-opening and inspiring experiences.

Upcycling Project in Cooperation with the Onaranlar Club

In cooperation with the Onaranlar Club, we have implemented an artistic social area from the idle parts of the fiber drawing machines used between 1982 and 2019. Our founder, Ali Raif Dinçkök's interest in art and his sensitivity to the utilization of waste inspired this project and played a leading role in its design.

The new social area is open for all factory employees and is designed to seat 23 people at any one time. The project involved the upcycling of approximately 5.5-6 tonnes of material and reuse of 313 metres of pipes and various machine parts.

Acrycyle wins “Recycling Project of the Year” award

We won the “Recycling Project of the Year” award at the 2024 Bosphorus Environment Awards organized by Boğaziçi University.

On the platform, which showcases leaders, innovative projects and environmentally friendly solutions that come together to leave a more sustainable world for future generations, Aksa Akrilik won an award in recognition of its innovative recycled fiber product, Acrycycle.

“Mirror” - an important step in digitalization

We implemented our Artificial Intelligence-supported digital assistant project, “Mirror”, by signing one of the pioneering projects in digitalization, one of our focus areas on sustainability.

Mirror, an important milestone in our digitalization journey, aims to provide customers with critical information such as investor relations and company performance both quickly and accurately by improving the www.aksa.com experience. With Artificial Intelligence technology, Mirror was developed to provide instant access to the information users need.

Participation in Sustainability Talks Istanbul 2024 as a Premium Sponsor

At the Sustainability Talks Istanbul 2024 event, where we had the opportunity to express our philosophy of circularity and resilience more decisively, we provided a presentation on the innovative advances in creating long-lasting products.



Start of Heated Cable Production in Cooperation with İltema

Given the wide usage area of the heating fabrics developed in cooperation with İltema in 2021, an additional investment decision was taken to start production of heated cable with Fleksheat, İltema’s new brand.

Investment Support for Porima

We have carried out a new USD 500,000 investment to support Porima’s technological leadership in the production of 3D filament, which we have been supporting since 2020. We aim to contribute to the strengthening of advanced production technologies with this investment.

Founded by two young engineers in Yalova, Porima continues to strengthen its position in the global market by exporting its high-performance thermoplastic semi-finished products to many countries such as the US, Switzerland, the UK, Israel, Palestine, Azerbaijan and the Turkish Republic of Northern Cyprus.

Aksa Search and Rescue Team awarded Basic Level Accreditation Certificate

In 2024, our Aksa Search and Rescue Team received the basic level accreditation certificate within the framework of the Urban Search and Rescue Accreditation Standard issued by AFAD. The Aksa Search and Rescue Team succeeded in becoming the first industrial enterprise in Türkiye and only industrial enterprise in Yalova to receive this certification.

On the morning of 6 February 2023, the Aksa Search and Rescue Team mobilised to the earthquake zone under the coordination of AFAD and carried out search and rescue and debris removal activities for one week.

Open Door Visits

In 2024, we continued our “Open Door Visits”, where Non-Governmental Organizations, local people, schools, the families of employees, customers, benchmarking teams, domestic and foreign visitors visited Aksa production’s facilities and receive on-site information within the scope of the principle of transparency.

As part of the “Open Door Visits”, many of our stakeholders visited Aksa’s production facilities in 2024 in various areas such as sustainability, the acrylic fiber production process, the environment and waste management.

Continued Cooperation with the Red Crescent

Within the scope of the long years of cooperation with the Red Crescent, the food aid support being delivered to 150 people per day continued in 2024 as well. Within the scope of the support, we provided prepared meals to 150 people every day through the Red Crescent.

Charitable Donations and Social Welfare

At Aksa, we are aware that sustainability in social development is possible with educated, well-equipped, cultured, initiative-taking, environmentally and socially sensitive generations. Our company’s corporate social responsibility activities, which are constantly developed with new projects, continued in 2024. Details of the expenditures carried out under the name of “donations and social support” in 2024, with a focus on education, culture, the arts and sport, are set out below.

Charitable Donations and Social Welfare	Amount (TL)
Associations, foundations, municipalities	3,315,375
Education	713,032
Other	113,412
Total	4,141,819

Amounts refer to the amounts indexed according to purchasing power as of 31 December, 2024.



SOCIAL ACTIVITIES



Aksa employees enjoy the traditional “Family Day” event with their families

Family Day picnic events, attended by Aksa employees along with their families, were held at Akcennet Social Facilities. Approximately 3,000 people came to the picnics, which were held in two separate events depending on the employees’ shifts.

Aksa employees had a chance to join many different fun-packed activities with their families, with the children especially enjoying the performances from jugglers, unicycles, magicians and stunt groups. The grown-ups participated in games such as tug-of-war, handkerchief grabbing, and sack races, bringing fun and excitement to both themselves and the audience. The event also included a raffle with gifts for the children.



“Welcome Summer” and “Farewell Summer” Events

Aksa Akrilik employees and their spouses enjoyed a night of relaxation and entertainment at the special event organized at the Akcennet Social Facilities with the participation of the famous musician, Haluk Levent. A total of approximately 2,000 people attended the events, which were held in the form of two separate events organized on the basis of employees’ shifts.

A plaque ceremony was also held during the event to honour the service and commitment of employees who had served Aksa for 15 years and 25 years.

“Aksa Solid Steps” Running Team continues its activities

Our running team, “Aksa Solid Steps”, consisting of Aksa employees, has achieved significant success both individually and as a team in many prestigious events throughout the year.

Our team got off to a proud start by winning first place in the 21K Companies Category at the Izmir Çeşme Half Marathon, which took place on 4 May, 2024. On 26 May, many of our team members set their own personal bests at the MarmaRun. We then took part in the Kiwi Run on 13 October, demonstrating our support for local events, while the İstanbul Marathon on 3 November reinforced both our endurance and team spirit. We completed the season on 24 November with a run in the Belgrade Forest followed by a delightful breakfast.

Our running team comes together to train on a regular basis, not only on race days, but also every week. These training events, held in different locations every Wednesday after work, strengthen team relations and provide our employees with a healthy lifestyle.

We contribute to social responsibility with donation campaigns in the races we participate in, supporting a culture of discipline, continuity and a focus on success within the company.

The Aksa Diving Team expands

The Aksa Diving Team expanded to 22 divers during 2004, with nine new divers joining our team. Training was provided at the Karamürsel Diving Center during the year.

On 30 August, 2024, we carried out a 3-day diving program in the deep blue waters of Bodrum with our group of 14 divers.

We aim to reach a wider audience in 2025 by increasing both the number of our teams and our expertise. In addition, our environmental activities, such as underwater cleaning, plan to contribute to our seas and marine life.



More events from the Aksa Book Club

The Aksa Book Club, which started its activities in 2021, continued its activities, reaching 35 active members in 2024.

Last year, we read 18 books together in our club, with events organized to watch five plays adapted from books to the stage. We held our book meetings in inspiring venues both in and outside the company on the seafront, enjoying one of the advantages offered by Yalova’s location, by taking advantage of Aksa’s outside areas.

One of the important projects of the Aksa Book Club was the establishment of a book club library in April 2024 in “Our Cafe”, located in the Aksa production facilities. This provided Aksa employees and interns who wanted to join the club but could not attend the events due to their shift patterns or for other reasons with the chance to access many books, including the books read in the club.

Third Generation Coffee Brewing Event

Especially prepared for Aksa employees, this enjoyable event provided information about coffee culture and coffee brewing methods.

A large number of Aksa employees attended the event, which took place in the café located within Aksa’s production facilities.

At the end of the event, which involved tastings of many different kinds of coffee, participants learned about new generation brewing techniques.



05

WE ARE ACCOUNTABLE TO OUR STAKEHOLDERS

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R&D AND INNOVATION

In line with our strategy to integrate our sustainability approach into all our processes starting from product design, we continue our sustainability approach at Aksa under the R&D and Sustainability Group Directorate within the scope of the organizational restructuring we carried out in 2023. With this structuring, we prioritize the sustainability perspective in all planning studies carried out from product design to implementation processes.

Thanks to this organizational transformation, we aim to strengthen innovation both within the organization and in our collaborations, and to increase sectoral knowledge by contributing to local R&D initiatives.

In this context, we have identified bio-based raw materials, circular economy principles and green chemistry applications as our main strategic focuses. With artificial intelligence-supported optimization and simulation techniques, we aim to both increase the performance of our products and develop sustainable production processes by reducing costs. By continuously improving our knowledge, we aim to offer innovative solutions to meet customer needs, accelerate commercialization processes and ensure environmental sustainability in all its dimensions.

In this context, in order to further strengthen our leadership in the sector and support sustainable growth in 2024, we successfully implemented the Innovation Management System and formalized this process with the Innovation Management System Certificate. We have increased the effectiveness and efficiency of the company's innovation processes, ensuring that innovative ideas quickly become reality, increasing the Company's competitive advantage.

This system, which supports the execution of R&D activities in a more systematic structure, contributes to Aksa Akrilik's rapid adaptation to the changes in the sector and to increase its effectiveness in global markets. At the same time, it maximizes corporate efficiency, which is one of our greatest strengths, becoming one of the cornerstones of strategic transformation for the future.

We evaluate the projects we have realized and started with a cradle-to-grave approach and analyze their environmental impacts throughout the life cycle. 54% of the projects we started in 2024 and continued from previous years were sustainability-oriented projects. We presented some of the 7 academic papers we prepared in 2024 at national and international congresses.



◆ Proportion of sustainable products with ongoing R&D studies:



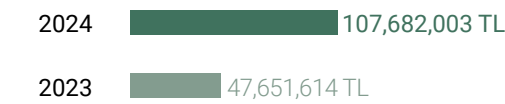
◆ Academic papers prepared: 2024



◆ Total number of R&D personnel:



◆ Our R&D expenditure:



SUSTAINABLE PRODUCTS

Within the scope of our business model that focuses on R&D, innovation and the stakeholders which supply our company, we aim to reduce the environmental impact not only from Aksa's operations but also from all our stakeholders in the value chain by developing durable, safe and sustainable products.

At Aksa, we care about the environmental impact, not only from our own activities but also our products, and we create our sustainable product range with our innovative approach, which we bring together with our stakeholders.

While evaluating these projects, we take EU legal regulation 2024/825 into account and avoid unfounded green claims.

We perform Product Life Cycle Analyzes (LCA) to measure the environmental impact of our products and evaluate our production processes in a transparent and analytical manner.

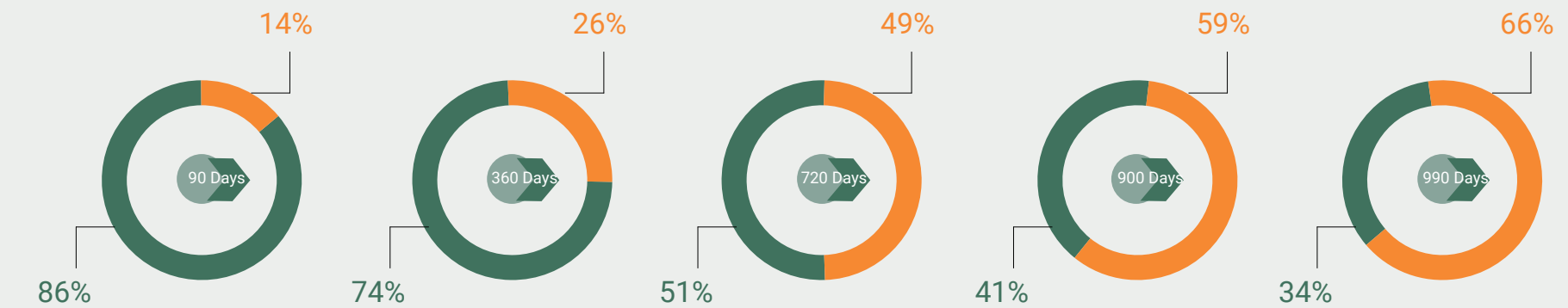
Thanks to these activities, we identify processes which have a high environmental impact and carry out investments to increase efficiency in these areas. In order to reduce the environmental footprint of our products, we examine low-carbon production alternatives and focus on projects that will provide energy efficiency and water savings.

Biodegradable Acrylic Fiber Project

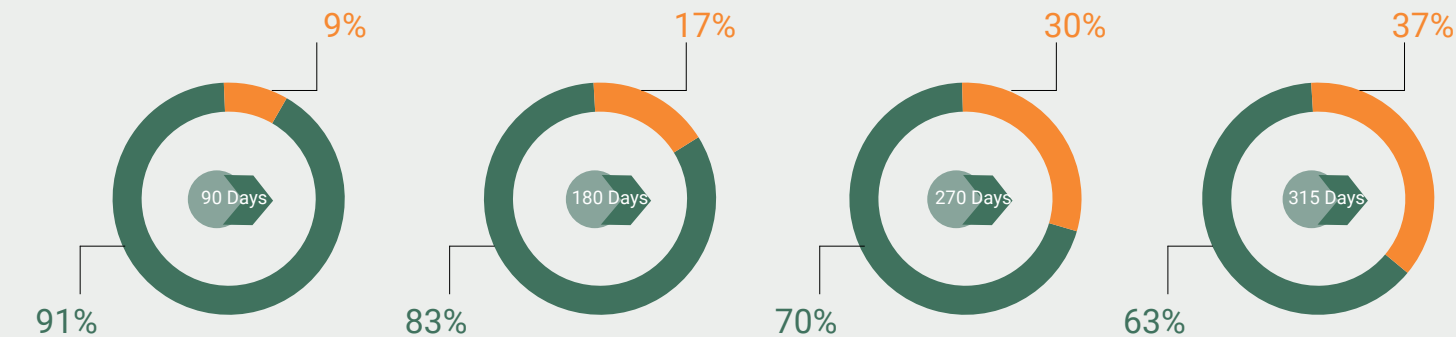
*With our Biodegradable Acrylic Fiber project, we are expanding our emission management to include product-related emissions. The ASTM D5511 test found our fiber had reached **66% biodegradability in 990 days**, proving that the product can biodegrade in landfill sites at the end of the product life cycle.*

In addition, we evaluated the biodegradability of our fiber in the marine environment with the ASTM D6691 test, finding that it had degraded by 37% within 315 days. This result indicates that our fiber is broken down by natural processes without remaining in the oceans and seas for a prolonged period, thus offering the potential to reduce the negative effects on the ecosystem by preventing the accumulation of microfibers released from textiles in the environment.

According to ASTM D 5511



According to ASTM D 6691



Reactive Dyeable Acrylic Fiber Project (OnceDye)

Our innovative new product, acrylic fiber, **which can be dyed with reactive dyes, reduces the carbon footprint by reducing energy and water consumption in the dyeing area of the textile value chain**, while also increasing production efficiency by shortening textile dyeing times. We enable the dyeing of cellulosic fiber and acrylic fiber blends with conventional cellulosic reactive dyes in a single step.

This innovation provides significant sustainability gains with theoretical calculations made during product design. **It provides savings of up to 30% in energy consumption of paint shops, up to 33% in water consumption, up to 30% in process times, and, accordingly, an increase of up to 30% in production capacities.**

Within the scope of the project, we carried out a total of three patent applications, one of which was registered.

Modified Flame Retardant Acrylic Fiber

Although the main purpose of flame retardant textile materials is to provide flame and fire resistance, they are also expected to be lightweight, comfortable (in areas of moisture management, etc.), low cost and environmentally friendly. At the same time, flame retardant textile materials are also expected to be free of toxic gas emissions during combustion while offering multifunctional characteristics.

In order to eliminate the environmental damage and impacts caused by the emission of toxic gases during combustion, we have created a power ignition system that **does not contain halogen groups** in the product and does not emit toxic gases **during combustion** with advanced modification to the standard PAN fiber in our project. With the modifications applied, **we have not only ensured the product is flame retardant** but that it also gained the moisture management characteristic.

Based on the performance and comfort characteristics offered by the product, we expect it to serve many areas such as interior applications, automotive and air transportation, and protective clothing.

Development of Bio-Based Fiber Products

Fiber and textile products manufactured from materials such as keratin, protein and collagen of natural origin offer significant advantages in terms of performance and sustainability. While these materials provide a high comfort, breathability and moisture balance, being easy on the skin, they are antiallergic and biodegradable with their natural protein content.

The preference of bio-based fibers as an alternative to synthetic fibers and acrylic fibers helps reduce environmental impacts by reducing the use of fossil-based raw materials. Recycling or upcycling of wastes generated in the production processes supports the circular economy approach.

Within the scope of our R&D activities, we aim to transform bio-based materials such as natural keratin, protein and collagen into a fiber form through the wet-spinning method without requiring additional investment with our existing technology and infrastructure.

Accordingly, we aim to contribute to environmental sustainability through the use of renewable resources, while providing characteristics such as comfort, humidity and temperature control, skin and cosmetic compatibility to the textile industry with the production of bio-based and/or acrylic blended fibers.

Traceable Fiber

While developing our products, we also carefully follow the regulations in place and are proactive in complying with these regulations. In this context, we have implemented a traceability project in cooperation with stakeholders to guarantee the correct use of our Pillout acrylic fiber, which was developed to prevent pilling in knitwear products. This project is aimed at **reducing end-user complaints by detecting possible errors in the production stages while providing a significant contribution to sustainability within the framework of ecodesign practices by extending the service life of products.**

MITHRA

At Aksa Akrilik, we have undertaken a strategic investment by bringing our deep-rooted experience to the field of technical fibers and composite materials. In line with this vision, we are initiating production of UHMWPE (Ultra High Molecular Weight Polyethylene) fiber and composite to meet the rapidly increasing demand for UHMWPE and its wide usage areas around the world.

UHMWPE fiber, which we will produce under the Mithra brand, stands out with its low density, high tensile strength and superior chemical resistance. This **special fiber, which is 15 times stronger than steel** by weight, is used in many critical areas such as ballistic protection, technical textiles, medical applications and in marine and industrial solutions.

Mithra stands out with the following features that meet modern engineering needs;

- **High strength,**
- **Resistance to abrasion and chemical resistance,**
- **Protection against UV rays**

We are excited about the Mithra product, which will represent an important milestone in Aksa Akrilik's growth strategy, as well as increasing Türkiye's global competitiveness in the field of technical textiles and high-performance materials. With our domestic production strength, we aim to contribute to the export of high value-added products by reducing dependence on imports.

We also produce Mithra UD Sheet, a high-performance composite material by laminating UHMWPE fibers with special resins.

Mithra UD Sheet **offers the advantages of superior energy absorption and light weight in** bulletproof vests, armour panels, vehicle and helicopter armour and, in particular, in ballistic protection systems.

The product's most important advantages are;

- **UD sheets with superior mechanical properties produced with high modulus fibers,**
- **High impact resistance and long life with special resin systems and lamination technology,**
- **Sustainable quality and high production efficiency with advanced process control.**

Our Mithra and Mithra UD Sheet products are our next-generation solutions that combine high technology, innovation and safety.



DIGITAL TRANSFORMATION

The main goal in our digitalization efforts is to save time, increase efficiency and minimize the risk of error that may occur in our processes.

At Aksa, we continuously undertake improvements and implement innovations by taking advantage of the most up-to-date opportunities offered by technology in both our operational processes and our support functions.

The main goal in our digitalization efforts is to save time, increase efficiency and minimize the risk of error that may occur in our processes. In this vein, we develop new applications and system integrations, ensuring our processes are more effective and sustainable.

Digital Transformation and Cyber Security

In our Company, ISO 9001:2015, ISO 14001:2015, ISO 50001:2018, ISO/IEC 27001, and ISO 45001:2018 compliant Quality, Environmental, Energy, Information Security, and Occupational Health and Safety Management Systems are maintained to create added value for our customers, shareholders, employees, business partners, and society and protect information belonging to all stakeholders.

By integrating digital technologies into our processes and ways of doing business, we aim to boost our speed and efficiency, reduce errors, and thus achieve operational excellence, which is our Company’s vision.

In line with this goal, the Digital-IZ team was established and we created a platform where internal stakeholders can be informed and exchange information. We have sought to increase and maintain digital awareness with various activities and training throughout the year.

Business Mind

We recognized the significance and advantages of data analysis and management in digital transformation. In order to facilitate this process, we expedited the dissemination of our business intelligence applications. These applications enable data from various sources to be easily analyzed together, which in turn facilitates rapid decision-making. We have developed reports suitable for mobile viewing in order to increase the mobile use of our Business Intelligence application.

We organized Business Intelligence Training for members of our Digital-IZ team in order to improve their data management competence.

During 2024, we developed 39 new reports under 14 headings in total, which provide effective business monitoring and evaluation of business results in the Purchasing, Human Resources, Process Development, Laboratory, Sales Teams, Logistics, OHS, Internal Audit and Planning processes in the business intelligence application. With these reports, we increased process efficiency by automating manually prepared reports, speeding up analysis processes and reducing error, thus ensuring that decision-making mechanisms were fully data-based and effective.

Robotic Process Automation (RPA)

We completed four projects in human resources and shift records processes with our software robot, allowing employees to spend more time on higher value-added jobs in 2024. We continued our RPA information and project opportunity determination studies with departments with a high repetitive and rule-based workload in 2024.

Information Security Management

While digital transformation processes help businesses achieve their sustainability goals, cybersecurity has also become an integral part of this process. In fact, the security of digital infrastructure is considered one of the cornerstones of creating a sustainable business model.

The analyzes conducted in 2024 found 675 incidents within the scope of digital security, which were duly resolved.

In another area of our cybersecurity investments, we activated threat detection and intervention mechanisms at the network, e-mail, endpoint and server levels, quickly detecting and isolating attacks. By installing the XDR Sensor Agent on 2,542 devices, we optimized threat detection processes with telemetric data. Thus, we adopted a proactive threat management approach in the sustainability of digital security, and developed effective defense mechanisms against targeted attacks.

When it comes to information security, we continued to benefit from EDR systems and ASRM (Automated Suspicious Response Management) features that provide advanced threat detection and analysis capabilities on endpoint devices and enable rapid intervention.

Next Steps

At Aksa, we continue to invest in the prevention of cyber threats and strengthening risk management by placing security as a key priority in the digital transformation processes. In order to ensure digital sustainability, we continuously update our security solutions and support them with threat intelligence as a strategic necessity.

In this respect, strengthening our digital security mechanisms will both ensure the achievement of corporate sustainability goals and help minimize digital risks.

Within the scope of digitalization and information security, we seek to strengthen communication with our external stakeholders and unleash their potential for cooperation by participating in different platforms and events throughout the year. During 2024, we participated in a number of different events and platforms such as MEXT, KoçDigital Summit 2024, the DMI Case Clinic: Manufacturing Workshop, Digitopia Salesforce Innovation Day, the Tableau Data Summit, the Digitopia Impact Summit, the SAP - Onsite Event and Microsoft CoPilot.

CUSTOMER SATISFACTION AND QUALITY

We aim to increase this satisfaction by continuously improving our product and service quality.

One of the cornerstones of our leadership in the sector for over half a century has been the importance we attach to customer satisfaction. We aim to increase this satisfaction by continuously improving our product and service quality.

In order to better understand the expectations and needs of our customers, we organize customer satisfaction surveys and identify our areas of improvement. We record the feedback received via e-mail, video calls and different communication channels, evaluate it together with the relevant units and resolve the issues by performing root cause analysis.

We listen to our customers’ needs, suggestions and goals through regular face-to-face and online customer visits and integrate this feedback into our product development and improvement processes.

We provide technical consultancy and support to assist our customers in using our products efficiently to reach the quality they target, and offer support for usage and machine conditions.

In parallel with the digital transformation, we aim to increase our operational efficiency and provide faster service to our customers with our online sales platform, AKSAGO, which operates over the internet and from mobile devices. This platform allows customers to instantly follow their past and current orders and shipment processes.

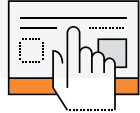
We do not limit our understanding of operational efficiency only to our own processes, but also consider the advantages of our products to our customers in this context. Our innovative products contribute to our customers’ safe, efficient and low-environmental production processes.

In 2024;

- ◆ We expanded our cartop volume in the automotive industry with our outdoor product.
- ◆ We stepped up the rollout of our highly abrasion-resistant product in the market.
- ◆ We boosted our competitiveness by texturing our filament product, with it being more voluminous and economical in both carpet and woven fabric.
- ◆ We expanded our customer portfolio with rapid technical service support after the increase in modacrylic capacity.
- ◆ We started the development of our modacrylic filament product, which is not available in the market, and carried out potential market analysis.

Customer Satisfaction and Feedback Management

Our meetings with our stakeholders last year found that they were satisfied with our communication quality, fast action, meeting needs and product quality, but also identified our compliance with deadlines as an area which was open to improvement.



- ◆ Our overall customer satisfaction score: **84/100** (Türkiye average: **78/100**)
- ◆ Tendency to work together in the future: **93/100** (Türkiye average: **89/100**)
- ◆ We examined 364 items of customer feedback and identified and resolved the root cause of 71% of them.

At Aksa Akrilik, we are committed to maintaining the highest level of product safety and quality in all of our processes, from the procurement of raw materials to the product reaching the end user. We fulfill this commitment within the framework of current legislation, international regulations and standards, our company policies, procedures, certificates and product life cycle assessments.

We are regularly audited and certified within the scope of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 management systems in the areas of quality, environment and occupational health and safety.

We have been certifying our products according to OEKO-TEX® Standard 100 since 1995. We certify our recycled acrylic product, Acrycycle, which we have developed with a circular economy approach, such that it can be traced with the Recycle Claim Standard (RCS) certificate throughout the entire supply chain.

We have been a signatory to the Responsible Care Commitment since 1993, which encourages companies in the chemical industry to fulfill their social responsibilities by paying utmost attention to the environment, human health and occupational safety.

We have been effectively implementing the Six Sigma Methodology in R&D, product improvement, equivalent chemical trials, quality analysis, process development and bottleneck solutions since 2004. In line with our vision of operational excellence, we are developing more efficient and sustainable production models while continuously improving our processes.

SUSTAINABLE SUPPLY CHAIN

In supply chain management, we act in line with our company strategies, policies, goals and ethical principles. In all of our purchasing operations, we aim to cooperate with suppliers that comply with the universal rules of law, respect the ten principles of the United Nations Global Compact in the areas of human rights, labour standards, the environment and tackling corruption, and are able to quickly adapt to global risks and opportunities.

As Aksa, we fulfill the responsibilities arising from our activities in an integrated and compatible manner with our Sustainability Strategy, and we strive to spread a similar approach and perspective to all our suppliers and stakeholders.

With the “Sustainable Supply Chain Policy” we have prepared in this vein, we set out what we expect from the stakeholders we cooperate with in our purchasing and procurement processes, and explain our commitments and strategies. We expect all of our business partners to act in accordance with our Business Ethics Principles.

In order to support local economic development in procurement and purchasing, we give priority on local suppliers when selecting our suppliers.



Our supply chain policy

As in our own operations, we evaluate sustainability risks within our supply chain and implement our supplier plans in a way that does not disrupt our operations and activities. All such processes are handled under the leadership of our Supply Chain Director.

In order to roll out our sustainability approach to our suppliers and raise awareness in our supply chain, our suppliers are asked to undergo an annual Sustainability Assessment Survey. Following the evaluation of the results, we provide feedback to our suppliers who are classified as being “Open to Improvement” or “Unsuccessful” in their areas of improvement, and we then re-evaluate the suppliers the following year. We encourage those suppliers who have not responded to the survey to take part.

Customer Satisfaction and Feedback Management

Of our 640 suppliers, whose performance we evaluated last year, we identified 163 as being “Exemplary Suppliers” and 398 as “Successful Suppliers” according to our own standards. In this period, the number of “Suppliers Requiring Remedial Action” was 79.

With an awareness of our responsibility to our planet, we also implement circular economy activities in our supplier management. Striving to ensure that the packaging materials we use are recycled, we procured all 25,000 km of the bands we used in packaging last year from recycled materials. Meanwhile, our trials with local manufacturers for bands were positive, and the company became an alternative approved supplier.

With the “Robot Purchaser (RPA)” which we implemented as part of our digitalization efforts, we ensured that 20% of the total requirement lines were created through the RPA during the reporting period. Thus, e-purchases accounted for 59% of total purchases in 2024.

In order to support continuous improvement in our procurement and procurement processes, we exchange views on good practices with benchmark studies.

We have started our work to activate our Welcome Subcontractor Platform application in order to monitor, provide data and communicate with our subcontractors operating in the field on a single platform in an integrated manner. The app will allow active tracking of work vehicles in the field, as well as entries and documents companies and visitors entering the factory site.

We granted Aksafil, our yarn production facility, the status of authorized economic operator, allowing us to carry out our import and export transactions more rapidly without waiting at customs. This advantage will reduce our additional costs and waiting times and positively contribute to our domestic and foreign customer satisfaction.

We have ensured our catalogue management processes are more practical and straightforward with the Zeronline system, another of our digitalization platforms in our purchasing processes.

Going forward, we will attach importance to the integration of Artificial Intelligence into purchasing and procurement processes and take steps towards achieving this. In the coming years, we aim to expand the use of Artificial Intelligence in areas such as the collection of bid and price analysis.

Our key procurement indicators:*

Number of suppliers worked with:



Number of domestic suppliers:



Proportion of expenditure on local suppliers:



*Main suppliers of raw materials such as ACN and Coal:



During 2024;

- ◆ We conducted sustainability assessment surveys of 15 critical suppliers.
- ◆ 87% responded to the survey.
- ◆ We audited six of our critical suppliers in the field.

CAPITAL AND SHAREHOLDING STRUCTURE

Aksa Akrilik accepted the registered capital system outlined in the provisions of Law No. 2499, and on the basis of Permission No. 90 granted by the Capital Markets Board on February 20, 1992, the Company adopted this system. Its registered capital is TL 6,500,000,000 (to be effective between 2024 and 2028) and its paid-in capital is TL 3,885,000,000 as of 31 December 2024.

As of 31.12.2024 Company shareholders and their respective shareholding are as provided in the table:

Shareholder	Share (%)	Value (Thousand TL)
Akkök Holding A.Ş.	39.59	1,537,987
Emniyet Ticaret ve Sanayi A.Ş.	23.96	930,663
Other ^(*)	36.45	1,416,350
Total	100	3,885,000

^(*) As of 31.12.2024, 33.03% of it is in circulation on the BIST.

Title	Country	Operation
DowAksa İleri Kompozit Malzemeler San. Ltd. Şti.	Türkiye	Chemistry
DowAksa Switzerland Gmbh	Switzerland	Investment
DowAksa USA LLC	USD	Chemistry
DowAksa Deutschland GmbH	Germany	Investment
Nanotechnology Centre of Composites LLC NCC-EVOPRO	Russia	R&D/Chemistry
LLC NCC-TVF	Russia	R&D/Chemistry
LLC NCC-MDP	Russia	R&D/Chemistry
Akkök Next Yatırım Holding A.Ş.	Türkiye	Investment

Stock Information	2024
Market Value	50 Billion TL
BIST Trading Ratio	33.03%
Foreign Investor Shares ^(*)	19.02%

^(*) Foreign investor stake among shares traded on the BIST.

AKSA SUBSIDIARIES

DowAksa recorded a strong financial performance in 2024, completing a year filled with sustainable growth and innovative initiatives.

DowAksa Advanced Composites Holdings BV

DowAksa, one of Türkiye’s first and only carbon fiber producers and one of the world’s leading carbon fiber producers, provides carbon fiber composite solutions to industrial sectors, especially energy, transportation, defense and infrastructure sectors. Since 2012, it has been adding strength to the Turkish economy with its high value-added products produced with advanced technology in its facilities in Yalova and with its high value-added exports to many countries of the world.

DowAksa recorded a strong financial performance in 2024, completing a year filled with sustainable growth and innovative initiatives. It climbed 53 spots on the Istanbul Chamber of Industry’s list of Türkiye’s Largest Industrial Enterprises, entering the ICI 500 list at 348th place. During the previous period, it completed its investment in a new production facility covering 117,000 square meters in Yalova to strengthen its competitive position in the market. By raising the level of customer satisfaction with innovative products and services and optimizing costs through enhanced operational efficiency, the company continued to focus on sustainability-focused projects, taking significant steps towards creating societal impact. With its strategic vision, the company aims to continue creating sustainable positive value for all stakeholders in the future.

Akkök Next Yatırım Holding A.Ş.

The company was established to invest in innovative initiatives in the deep technology market, which is expanding in Türkiye and around the world. The company holds a 9.25% stake in the initiative, which is growing under the leadership of Akkök Holding, and contributed a total capital of TL 13.1 million.

DECLARATION OF INDEPENDENT MEMBERSHIP OF THE BOARD OF DIRECTORS

To the Aksa Akrilik Kimya Sanayii A.Ş. Board of Directors, Corporate Governance Committee,

Pursuant to the Communiqué Regarding the Determination and Implementation of Corporate Governance Principles (Serial: II, No: 17.1) issued by the Capital Markets Board, Articles of Association, and the criteria set forth in related legislation, as a candidate for independent membership of the Board of Directors of Aksa Akrilik Kimya Sanayii Anonim Şirketi, I hereby declare that:

- There is no employment relationship between myself, my spouse, relatives by blood or by marriage up to the second degree and Aksa Akrilik Kimya Sanayii A.Ş., any partnerships of which the Company holds or significantly affects management control, or shareholders who hold or significantly affect the management of the Company, or any legal entities of which these shareholders hold the management control, at a managerial position to undertake major duties and responsibilities in the last five years, and that I do not have, together or alone, more than 5% of the Company’s capital or voting rights or privileged shares, and I do not have a business relationship of significant nature,,
- I have not served as a partner (5% and above), at a managerial position to undertake major duties and responsibilities and/or as a board member in any companies, particularly those conducting the auditing (including tax audit, legal audit and internal audit), grading and counseling of the Company, to which the company has sold or purchased a significant amount of products or services in the framework of the agreements, during the periods of selling or purchasing products or services, in the last five years,
- I have the requisite professional training, knowledge and experience in order to fulfill the tasks that I will assume in the Company as an independent member of the Board of Directors,
- I will not work in public institutions and organizations, other than academic positions at universities, provided that it is appropriate to their relevant legislations, on a full-time basis, after being elected as a member,
- I am considered as a resident in Türkiye according to the Income Tax Act (I.T.A.) dated December 31, 1960 and numbered 193,
- I possess the requisite strong ethical standards, professional reputation and experience to contribute positively to the Company’s activities, to maintain my objectivity in conflicts of interest between the company and the shareholders, and to decide freely in consideration of stakeholders’ rights,
- I will spare enough time for the Company’s affairs in order to follow-up the functioning of the Company’s activities, and to fully meet the requirements of the duties that I will assume,
- I haven’t served as a member of the Company’s Board of Directors for more than six years during the last ten years,
- I haven’t served as an independent member of the Board of Directors in more than three companies whose management is controlled by the same person, Company or shareholders holding the management control of the Company, and in more than a total of five companies traded on the exchange,
- As a Member of the Board of Directors, I declare that I have not been registered and announced on behalf of the selected legal entity and therefore I will fulfill my Board Membership of Aksa Akrilik Kimya Sanayii Anonim Şirketi as an independent member.
- I also declare that if a situation arises that eliminates my independence within the framework of the relevant legislation, I will forward the change to the Board of Directors to be announced to the public and that I will resign in principle.

Sincerely,

Name and Surname: **Kamil Batur Şülen**

Signature Date: **31.01.2023**

Name and Surname: **Lale Develioğlu**

Signature Date: **31.01.2023**

Name and Surname: **Güler Aras**

Signature Date: **31.01.2023**

ORDINARY GENERAL ASSEMBLY AGENDA

Agenda for the 2024 Ordinary General Assembly Meeting of Aksa Akrilik Kimya Sanayii Anonim Şirketi

1. Opening of the meeting and election of the Presiding Board of the General Assembly,
2. Reading and discussing the 2024 Annual Report prepared by the Board of Directors,
3. Reading the Auditors’ Report for the year 2024,
4. Reading, discussing and approval of the Financial Statements for the year 2024,
5. Releasing the members of the Board of Directors individually with regard to the Company’s activities in 2024,
6. Determining the usage of profit, percentages of profit distribution and profit sharing,
7. Determination of remuneration for the Board Members and Independent Directors,
8. Determining the number and the duty terms of the Members of the Board of Directors and, according to the decided number of members, electing the Members of the Board of Directors and the Members of the Independent Board of Directors,
9. Submitting the selection of the Independent Auditor for approval pursuant to the Turkish Commercial Code, the ‘Communiqué on Independent Auditing Standards in Capital Markets’ issued by the Capital Markets Board of Türkiye, and the decision of the Board of Directors on the matter,
10. In accordance with the Sustainability Audit Regulation published by the Public Oversight, Accounting and Auditing Standards Authority of the Republic of Türkiye, submitting the selection of the Independent Auditor for approval regarding the sustainability audit of the Sustainability Reports for the years 2024 and 2025, based on the decision of the Board of Directors on this subject,
11. Following the amendments made to the Internal Directive on the Working Principles and Procedures of the General Assembly, which was adopted at the

Company’s General Assembly meeting dated March 26, 2013 and is currently in force, the new internal directive shall be read and submitted for approval,

12. Pursuant to the Capital Markets Board’s Communiqué on Corporate Governance, in the event that controlling shareholders, members of the Board of Directors, executive management and their first and second degree relatives by blood or by marriage have carried out significant transactions that may result in conflict of interest either with the Company or its subsidiaries, and/ or have carried out commercial transactions in the same line of business with the Company or its subsidiaries either by themselves or on behalf of others, or have become partners without limits of liability in a company that is engaged in the same line of business, informing the shareholders with regard to such transactions,
13. Pursuant to articles 395 and 396 of the Turkish Commercial Code, granting permission and authority to the members of the Board of Directors,
14. Informing shareholders with regard to share buyback pursuant to board of directors decision taken and notified in public disclosure platform at 20 February 2023 In accordance with the permission granted within the framework of the announcement made by the Capital Markets Board with the principle decision dated 14 February 2023 and numbered 9/177,
15. Approval of increasing the cap for donations and grants indicated in the Corporate Donation and Grant Policy as per the Capital Market Law and “Profit Share Communiqué” no. (II-19.1) of the Capital Market Board,
16. Pursuant to the Capital Markets Law, informing the shareholders about the donations and aid made by the Company in 2024,
17. Pursuant to Article 12 of the Communiqué on Corporate Governance, informing the shareholders about the sureties, pledges, mortgages and guarantees given by the Company in favor of third parties and on the income and benefits acquired by the Company in 2024,

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

ASSESSMENT OF THE BOARD OF DIRECTORS REGARDING COMMITTEES

The Committees come together to discuss the agenda items pertaining to themselves among the agenda of the Board of Directors and submit their opinions to the Board of Directors. Unless there is a specific reason to preclude their gathering, it is essential for them to come together to discuss the issue before the meeting.

Audit Committee

The Audit Committee is composed of independent members and is responsible for taking the necessary measures for the effective and transparent performance of all kinds of internal and external audit processes of the Company. The Committee also monitors the effective implementation of the internal control system managed within the Holding. In 2024, the Committee reported 11 (eleven) times to the Board of Directors within the scope of all these responsibilities. The Audit Committee held two (2) meetings in total, ten (10) of which were with the Independent Audit Company. At these meetings with the Independent Audit Company, information was received regarding audit work in process for the Company, and regarding the pre-examination before the year-end audit, and development areas were observed. The audit methodology, test methods applied and the audit findings after the year-end audit were assessed together with the Independent Audit Company.

At other meetings, the audit committee assessed the financial data published within the year, evaluated the effectiveness of

internal audit systems and activities and the independent auditor selection process, and gave recommendations to the Board of Directors.

Corporate Governance Committee

The Corporate Governance Committee observed whether or not the corporate governance principles are applied in the Company. If not, the committee identified the reasons and the conflicts of interests arising due to not fully complying with these principles. The committee offered recommendations on optimizing corporate governance practices, and monitored the works of the Investor Relations unit. The Committee met four (4) times physically or remotely in 2024 and reported four (4) times. The duties of the Nomination Committee and Remuneration Committee are also carried out by the Corporate Governance Committee. Within the scope of these responsibilities, the Corporate Governance Committee managed to;

Undertake efforts to create a transparent system to identify, evaluate and train qualified candidates for the Board of Directors and executive management positions, and formulate the relevant policies and strategies,

Make regular evaluations on the structure and efficiency of the Board of Directors, and to advise the Board on changes that can be made on these issues,

Express their views in the determination of the recommendations regarding the principles of remuneration of the Board members and senior executives by taking into account the long-term goals of the Company,

Make determinations regarding the criteria that can be used in the remuneration, depending on the performance of the Company and the member.

Early Detection of Risk Committee

The Early Detection of Risk Committee is responsible for early detection of risks that jeopardize the existence, development and continuity of the Company, applying the necessary measures and remedies in this regard, managing the related risks, and undertaking efforts to fulfill requirements. The Committee reviews the risk management systems at least once a year. The Committee convened four (4) times physically or remotely in 2024 and reported to the Board of Directors six (6) times in accordance with the legislation.

Sustainability Committee:

The Sustainability Committee is responsible for carrying out, implementing and monitoring Environmental, Social and Corporate Governance (ESG) activities and was established to report to the Board of Directors. The Committee convened on three (3) occasions in 2024, either physically or electronically.

Committees of the Board of Directors

Audit Committee:

Name Surname	Title	Commencement of Duty
Kamil Batur ŞULEN	Chairman of the Committee	20.04.2023
Güler ARAS	Committee Member	20.04.2023

Corporate Governance Committee:

Name Surname	Title	Commencement of Duty
Güler ARAS	Chairman of the Committee	20.04.2023
Lale DEVELİOĞLU	Committee Member	20.04.2023
Erdoğan KAZAK	Committee Member	20.04.2023

Early Detection of Risk Committee:

Name Surname	Title	Commencement of Duty
Lale DEVELİOĞLU	Chairman of the Committee	20.04.2023
Kamil Batur ŞULEN	Committee Member	20.04.2023
Firat DUMAN	Committee Member	20.04.2023

Sustainability Committee:

Name Surname	Title	Commencement of Duty
Güler ARAS	Chairman of the Committee	10.07.2024
Lale DEVELİOĞLU	Committee Member	10.07.2024

AUDIT COMMITTEE

Duties and Working Principles

1. Authorization

The Committee is formed and authorized by the Board of Directors. The resolutions of the Committee are in an advisory capacity to the Board of Directors and the decisions taken by the Board of Directors is ultimate in the related matters. All resources and support necessary for the Committee to perform its duties are provided by the Board of Directors.

2. Membership

The Committee consists of at least two members. All members of the Committee are elected from among independent Board members. The Chairman and the Members of the Committee are determined by the Board of Directors and disclosed to the public.

3. Meeting and Reporting

The Committee meets at least 4 times a year and at least once every three months. The quorum for meetings and resolutions is the absolute majority of the total number of Committee members. The decisions taken in the Committee meetings are written down, signed by the members of the Committee and kept regularly. Meetings may be held at the Company headquarters or at any other location where Committee members can easily access. Meetings may also be held by using technological means if members cannot come together. The Committee submits reports containing the results of meetings and activities to the Board of Directors.

4. Duties and Responsibilities

4.1. Independent External Audit

The Committee takes the necessary measures to ensure that the independent external audit is conducted effectively, adequately and transparently. In this context, the Committee oversees the selection of an independent audit firm, the preparation of independent audit contracts

to initiate the independent audit process and the work of the independent audit firm at all stages.

The independent audit firm and the services to be received by the Company are determined by the Audit Committee and submitted to the Board of Directors for approval.

The Committee reviews the audit scope and audit approach proposed by independent external auditors, informs and advises the Board of Directors about the issues that restrict or limit its operations.

The Committee ensures that any significant problems identified during or after the audits carried out by the independent external auditors and their suggestions regarding the elimination of these problems are reached and discussed in a timely manner.

The Independent audit firm submits in writing to the Committee, pertinent aspects of the Company's accounting policy and practices, alternative options within the framework of implementation and public disclosure of accounting principles with the Turkish accounting standards, their possible consequences and their implementation recommendations and also important correspondence with the Company management.

4.2. Accounting System and Financial Reporting

The Committee oversees the functioning and effectiveness of the accounting system.

The Committee takes into account the views of the Company's responsible managers and independent auditors regarding the accuracy, conformity to the accounting principles followed by the Company, of the annual and interim financial statements to be disclosed to the public. The Committee notifies the Board of Directors in writing, together with its assessments.

4.3. Internal Control

The Committee monitors the operation and effectiveness of the Company's internal control system. For this purpose,

the Company reviews the work, organizational structure, duties and working principles of the internal audit unit and makes recommendations to the Board of Directors.

Informs the Board of Directors about the issues that limit the work of the internal auditors and the efficiency of their activities and advises the Board on these issues.

The Committee reviews and evaluates the internal audit report issued by the Company's internal audit unit. The Committee airs its opinions to the Board of Directors on the important issues in the internal audit report and on the warnings and recommendations regarding these issues.

4.4. Other Responsibilities

The Committee reviews complaints from shareholders and stakeholders regarding the Company's accounting and internal control system and independent audit. It determines the methods and criteria to be followed so that such complaints and notifications reach the Committee within the framework of the confidentiality principle.

The Committee also carries out other surveillance and monitoring activities requested by the Board of Directors.

Performs other duties assigned/to be assigned to the committee by the CMB regulations and the Turkish Commercial Code. In fulfilling its duties, the Committee;

May invite the manager it deems necessary to its meetings to obtain his/her opinions.

Uses independent experts' opinions on the subjects it needs for its activities. The cost of the consultancy services required by the Committee is paid by the Company.

In order to ensure the effectiveness of its work, it may form sub-working groups consisting of people with sufficient experience and knowledge in internal audit, financial reporting and independent audit, to be elected from amongst its members and/or from the outside.

CORPORATE GOVERNANCE COMMITTEE

Tasks and Working Principles

1. Authorization

The Committee is formed and authorized by the Board of Directors. The duties of the Nomination and Remuneration Committee will be fulfilled by the Corporate Governance Committee within the framework of the following principles.

The resolutions of the Committee are advisory to the Board of Directors and the Board of Directors is the final decision maker in related matters. All resources and support necessary for the Committee to fulfill its duties are provided by the Board of Directors.

2. Structure of the Committee

The Committee consists of at least two members. The Chairman of the Committee is elected from among the independent Board members.

In the event that the Committee consists of two members, both of them shall be appointed from among the non-executive members of the Board of Directors. If there are more than two members, then the majority of them shall be appointed from among the non-executive members of the Board of Directors The CEO / General Manager cannot take part in the committees. The Chairman and the members of the Committee shall be determined by the Board of Directors and disclosed to the public.

Licensed staff.

3. Meeting and Reporting

Committees meet at least once a year, as often as necessary for the effectiveness of their work. The quorum for meetings and resolutions is the absolute majority of the total number of Committee members. The resolutions taken at the Committee meetings are written down, signed by the Committee members and kept regularly. Meetings may be held at the Company headquarters or at any other venue

easily accessible by the Committee members. Meetings may also be held by using other technological means if members cannot come together. The Committee submits reports containing the results of the meetings and activities to the Board of Directors.

4. Duties and Responsibilities

4.1. Corporate Governance

The Committee ensures the establishment and adoption of Corporate Governance Principles within the Company. The Committee determines whether the Corporate Governance Principles are applied or not, if not implemented, determines the rationale and conflicts of interest arising due to noncompliance with these principles and makes recommendations to the Board of Directors for improvement. The Committee oversees the work of the Investor Relations Unit. It advises the Board of Directors to maintain effective communication with the shareholders and to resolve any disputes that may arise.

The Committee submits the transactions that are alleged to be illegal or unethical to the Company by the stakeholders to the Audit Committee and ensures the necessary coordination. The Committee carries out other activities that may be evaluated within the scope of Corporate Governance as requested by the Board of Directors.

4.2. Nomination

The Committee establishes a transparent system for identifying, evaluating and training candidates for the Board of Directors and determining policies and strategies in this regard. The Committee makes regular assessments on the structure and efficiency of the Board of Directors and presents its recommendations to the Board of Directors on the possible amendments to these issues. The Committee determines and supervises the approaches, principles and practices regarding the performance evaluation and career planning of the members of the Board of Directors and senior executives. In the selection of the independent

members of the Board of Directors, the Committee evaluates the proposals for candidates for independent membership, including from the management and the shareholders, by taking into consideration the candidate's independence criteria, and submits its assessment in a report to the Board of Directors for approval.

In order to ensure the minimum number of independent members of the Board of Directors to be reestablished if there is a drop in the membership of the Independent Board of Directors, the Committee shall make an assessment for the election of independent members to the vacant positions to serve until the first Annual General Meeting to be held. It submits the results of its assessment to the Board in writing.

4.3. Remuneration

The Committee determines the suggestions of the members of the Board of Directors and senior executives regarding the remuneration principles by taking into consideration the long-term objectives of the Company. The Committee determines the criteria that can be used in remuneration in connection with the performance of the Company and the member. It submits its recommendations to the Board of Directors regarding the fees to be paid to the members of the Board of Directors and senior executives, taking into account the degree of fulfillment of the criteria.

In fulfilling its duties, the Committee:

May invite the manager it deems necessary to its meetings to obtain his/her opinions.

Uses the opinions of independent experts on the subjects that are needed for its activities. The cost of the consultancy services required by the Committee shall be borne by the company.

In order to ensure the effectiveness of its work, may create sub-working groups composed of people with sufficient experience and knowledge to be chosen from among its members and/or from the outside.

EARLY DETECTION OF RISK COMMITTEE

Tasks and Working Principles

1. Authorization

The Committee is formed and authorized by the Board of Directors. The resolutions of the Committee are advisory to the Board of Directors and the Board of Directors is the final decision maker in related matters. All resources and support necessary for the Committee to fulfill its duties are provided by the Board of Directors.

2. Structure of the Committee

The Committee consists of at least two members. The Chairman of the Committee is elected from among the independent Board members.

In the event that the Committee consists of two members, both of them shall be appointed from among the non-executive members of the Board of Directors. If there are more than two members, then the majority of them shall be appointed from among the non-executive members of the Board of Directors The CEO / General Manager cannot take part in the committees. The Chairman and the members of the Committee shall be determined by the Board of Directors and disclosed to the public.

3. Meeting and Reporting

The Committee convenes at least once a year, as often as necessary for the effectiveness of its activities. The quorum for meetings and resolutions is the absolute majority of the total number of Committee members. The resolutions taken at the Committee meetings are written down, signed by the Committee members and kept regularly. Meetings may be held at the Company headquarters or at any other venue easily accessible by the Committee members. Meetings may also be held by using other technological means if members cannot come together. The Committee submits the reports containing the meeting and activity results to the Board of Directors every two months. Such reporting should also be shared with the independent auditor.

4. Duties and Responsibilities

The Committee conducts studies to ensure the early identification of risks that may endanger the existence, development and continuity of the Company, to implement the necessary measures regarding the identified risks and to manage the risk. The Committee reviews risk management systems at least once a year. The Committee collaborates with those responsible for coordinating corporate risk management, examines reports and if deemed necessary, meets with the related risk holders.

In fulfilling its duties, the Committee;

When deemed necessary, may request information, opinions and reports from the relevant units and may invite the relevant managers to its meetings to seek their opinions.

Uses the opinions of independent experts on the subjects that are needed for their activities. The cost of the consultancy services required by the Committee shall be borne by the company.

In order to ensure the effectiveness of its work, may create sub-working groups composed of people with sufficient experience and knowledge to be chosen from among its members and/or from the outside.

SUSTAINABILITY COMMITTEE:

Tasks and Working Principles

1. Authorization

The Committee is formed and authorized by the Board of Directors. The resolutions of the Committee are advisory to the Board of Directors and the Board of Directors is the final decision maker in related matters. All resources and support necessary for the Committee to fulfill its duties are provided by the Board of Directors.

2. Structure of the Committee

The Committee consists of at least two members. The Chairman of the Committee is elected from among the independent Board members.

In the event that the Committee consists of two members, both of them shall be appointed from among the non-executive members of the Board of Directors. If there are more than two members, then the majority of them shall be appointed from among the non-executive members of the Board of Directors The CEO / General Manager cannot take part in the committees. The Chairman and the members of the Committee shall be determined by the Board of Directors and disclosed to the public.

3. Meeting and Reporting

The Committee convenes at least once a year, as often as necessary for the effectiveness of its activities. The quorum for meetings and resolutions is the absolute majority of the total number of Committee members. The resolutions taken at the Committee meetings are written down, signed by the Committee members and kept regularly. Meetings may be held at the Company headquarters or at any other venue easily accessible by the Committee members. Meetings may also be held by using other technological means if members cannot come together. The Committee submits the reports containing the meeting and activity results to the Board of Directors every two months.

4. Duties and Responsibilities

The Committee advises the Board of Directors on the Company’s strategies, policies and objectives in the area of Environmental, Social and Governance “ESG” activities. The Committee ensures their execution and monitors their implementation, and determines the priority sustainability issues and, where necessary, reviews them based on feedback from stakeholders and submits them for the approval of the Board of Directors.

The Committee evaluates the annual sustainability performance and achievement of its targets, and conveys its opinions to the Board of Directors where necessary. It follows the sustainability strategy, policy, targets and developments in its practices, sets targets, determines performance criteria accordingly, and monitors the performance in respect to the targets.

INTERNAL CONTROL MECHANISM

Specific processes have been developed according to the type of risks that may affect the Company’s financial performance, regardless of whether they are critical or not. These risks are categorized mainly as Credit risk, Exchange Rate risk, Liquidity risk and Interest Rate risk, and they are included in footnote No. 29, titled “Nature of Level of Risks Derived from Financial Instruments”, in the Financial Statements section.

The internal control system, established to enhance efficiency and effectiveness in the company’s operations, ensure reliability in financial reporting, and provide assurance regarding compliance with laws and regulations, is audited by the Internal Audit Department within the framework of the annual internal audit plan. The Internal Audit Department, which reports to the Audit Committee composed of independent members of the Board of Directors, has its internal audit plan approved by the committee. The internal audit team, consisting of 2 individuals, holds 2 CIA (Certified Internal Auditor) and 1 SMMM (Certified Public Accountant CPA) certificates. Audit reports are submitted to the Upper Management and the Audit Committee. Based on the findings and recommendations in the audit reports, actions taken by management are tracked through an action-tracking module, and the results are shared with the Audit Committee. The Audit Committee reviews the effectiveness of internal audit activities through five (5) meetings held during the year. Opinions of the internal auditor, external auditor, or other Company executives have also been obtained when required at these meetings.

The Internal Audit team contacts independent auditors when necessary within the scope of their activities.

By reviewing the structure and activities of the existing committees within the framework of the provisions of the Corporate Governance Communiqué of the Capital Markets Board, the Board of Directors has formed the Audit Committee, the Committee for Early Detection of Risk and the Corporate Governance Committee. The duties and responsibilities of the Nomination Committee and the Remuneration Committee are fulfilled by the Corporate Governance Committee.

BUSINESS ETHICS

We manage all our business processes and relationships with our stakeholders in line with the Akkök Group of Companies Business Ethics Principles. Our Business Ethics Principles, one of the cornerstones of our corporate culture, include the standards necessary for us to conduct our relations with employees, business partners, suppliers, customers, dealers, competitors, other stakeholders and the public in a responsible and ethical framework.

Akkök Business Ethics principles can be accessed from the Policies section of our website.

All nonconformities regarding the Business Ethics Principles can be reported through the ethics line managed by an expert and independent organization.

Akkök Ethics Hotline Contact Information:

0 850 202 66 15

akkok@kmpg.com.tr

This independent organization can only share the identity information of the notifier with the Ethics Committee with the consent of the individual concerned.

The Ethics Committee, which is determined by the Akkök Holding A.Ş. Board of Directors and includes the Aksa Akrilik ethics representative, evaluates the notifications received on the ethics line and conveys the result to the relevant parties.

In addition to our business ethics rules, business ethics training covers channels and structures such as the ethics line, ethics representative and Ethics Committee, examples of ethical violations and information on how ethical violation notifications are managed. The Business Ethics Principles on the electronic learning platform are accessible to all employees.

In 2024,

As part of the Business Ethics Training program, 1,418 of our employees received a total of 982.6 hours of training. The program covered the Definition of Ethics and Business Ethics Principles, the Need for Business Ethics, the Ethics Committee, its Responsibilities and Duties, the role of the Ethics Representative, the Ethics Hotline and Procedures to Follow. In addition to Respect for Human Rights, the training also addressed the core ethical commitments of Akkök Group of Companies, including Compliance with Laws and Regulations, Accuracy in Financial and Commercial Records, Prevention of Money Laundering, Compliance with Competition Rules, Protection of Company Assets, Zero Tolerance for Bribery and Corruption, Compliance with Gift and Hospitality Rules, Protection of Confidential Information, Avoidance of Conflicts of Interest, and Prohibition of Insider Trading.

Two reports were received through the Ethics hotline.

No case of bribery/corruption has been detected; no lawsuit has been filed on this issue.

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

In this era of global competition and change, the goal of Aksa Akrilik Kimya Sanayii A.Ş. (“Aksa”, or “the Company”) is to achieve change in corporate management practices alongside financial achievements, thereby remaining a company based on fair business practice. With this awareness, Aksa considers the creation of sustainable value for its stakeholders to be among its primary objectives. Aksa maintains its position as a reputable, innovative, hardworking, creative and equitable company, and its corporate and reliable stance, primarily in the eyes of its shareholders and investors, and also in those of its customers, employees and society at large by adhering to its long adopted Principles of Corporate Governance.

The reason behind determining and applying these Principles is to strengthen the trust of all Company stakeholders. In this regard, Aksa Akrilik Kimya Sanayii A.Ş. declares that it has committed itself to the application of Corporate Governance Principles, and that it will adopt the practices required by these Principles within the framework of current practices.

The Company abides by all obligatory corporate governance principles stipulated under the Capital Market Board’s Corporate Governance Communiqué numbered (II-17.1). Pursuant to Article 6 of the Capital Markets Board’s Corporate Governance Communiqué numbered (II-17.1), the principle that is not available.

The reason for not applying the non-obligatory principles that are stipulated under Corporate Governance Communiqué numbered (II-17.1) of the Capital Markets Board are provided below:

Since there are only independent Board members and licensed personnel in the committees in accordance with the “Corporate Governance Communiqué ”, no 4.5.5, 3 independent Board members are appointed in 4 committees, each at a maximum of 3 committees. Other Board members do not take part in the committees.

In accordance with the ‘Corporate Governance Communiqué”, no 4.6.5, the remunerations and all other benefits provided to the members of the Board of Directors and senior executives are disclosed to the public through the Annual Report. Our disclosure is not on an individual basis and includes the Board of Directors and senior executives. The remuneration policy has been issued in writing and is added as an agenda item to the General Assembly meeting. In the current situation, personal salary information will not be disclosed.

There is no conflict of interest arising from the foregoing non-obligatory principles governed under the Capital Markets Board’s Corporate Governance Communiqué numbered (II-17.1). In the future period, the necessary works will be conducted in consideration of the developments and practices in the regulation towards alignment with Corporate Governance Principles. The following Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (PIF) can be accessed via the Corporate Governance and Corporate Governance Compliance Report sections of the Public Disclosure Platform (<https://www.kap.org.tr/en/sirket-bilgileri/ozet/840-aksa-akrilik-kimya-sanayii-a-s>).

CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders’ Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders’ Meeting.	X					
1.3.10 - The agenda of the General Shareholders’ Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders’ Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

COMPANY COMPLIANCE STATUS						EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders’ Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.	X					
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders’ Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company’s activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

COMPANY COMPLIANCE STATUS						EXPLANATION
YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE		
3.1. CORPORATION’S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders’ rights are published on the company’s website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION’S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

COMPANY COMPLIANCE STATUS						EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					Employees, or their representatives as Representative Board were notified of decisions impacting them. All employees are members of Representative Board and there is no any syndicate.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

COMPANY COMPLIANCE STATUS						EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director’s dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members’ external commitments at the General Shareholders’ Meeting.	X					

COMPANY COMPLIANCE STATUS						EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.5. BOARD COMMITTEES						
						In order to comprehensively fulfil the duties and responsibilities of our Board of Directors, the Sustainability Committee was established in addition to the already established Board of Directors Committees. The committees only include independent board members and licensed personnel, with three independent board members assigned to four committees, with a maximum of three members in each committee. Other board members do not sit on committees.
4.5.5 - Board members serve in only one of the Board’s committees.		X				
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					The remunerations and all benefits provided to the members of the Board of Directors and executives with administrative responsibility are disclosed to the public through the annual report. Our disclosure is not on an individual basis and includes the Board of Directors and senior executives.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				

CORPORATE GOVERNANCE INFORMATION FORM

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	“A total of forty-one (41) face-to-face meetings with domestic and foreign investors and analysts, telephone and teleconference meetings, four conferences for analysts, two live broadcasts on television and social media to cover the Investor Relations agenda, one factory tour with investors and a Company roadshow with 7 Portfolio Investment Companies”
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	None.
The number of special audit requests that were accepted at the General Shareholders’ Meeting	None.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1254473
Whether the company provides materials for the General Shareholders’ Meeting in English and Turkish at the same time	Company provides materials for the General Shareholders’ Meeting in English and Turkish at the same time
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There was no such transaction during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1317207
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1311143
The name of the section on the corporate website that demonstrates the donation policy of the company	Our corporate website at www.aksa.com/en , Investor Relations/Policies/Policy on Donations and Aids
The relevant link to the PDP with minute of the General Shareholders’ Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/426564
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders’ Meeting	12

Identified stakeholder groups that participated in the General Shareholders’ Meeting, if any.	Stakeholder groups that participated in the General Shareholders’ Assembly is as of the link below. Representatives of Independent auditor, Corporate Governance Rating Company, Ministry of Commerce and Board of Directors and those who are not shareholder but requested, participated to General Assembly. https://www.kap.org.tr/en/Bildirim/1263846
1.4. Voting Rights	
Whether the shares of the company have differential voting rights.	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder.	39.59%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association.	Yes
If yes, specify the relevant provision of the articles of association.	17
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Our corporate website at www.aksa.com/en , Investor Relations/Policies/Dividend Distrubition Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	It was decided to distribute dividend in the General Assembly for the year 2023 dated 28 March 2024
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

CORPORATE GOVERNANCE INFORMATION FORM

GENERAL ASSEMBLY MEETINGS	
General Meeting Date	28/03/2024
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders’ Meeting	0
Shareholder participation rate to the General Shareholders’ Meeting	69.71%
Percentage of shares directly present at the GSM	0.19%
Percentage of shares represented by proxy	69.52%
Specify the name of the page of the corporate website that contains the General Shareholders’ Meeting minutes, and also indicates for each resolution the voting levels for or against	Our corporate website at www.aksa.com/en , Investor Relations/General Assembly/Minutes of Assembly
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Our corporate website at www.aksa.com/en , Investor Relations/General Assembly/Minutes of Assembly
The number of the relevant item or paragraph of General Shareholders’ Meeting minutes in relation to related party transactions	9
The number of declarations by insiders received by the board of directors	0
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/en/Bildirim/1254473

CORPORATE GOVERNANCE INFORMATION FORM

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Our corporate website at www.aksa.com/en , the information requested by Principle 2.1.1. are provided as Corporate Governance, Policies, Material Disclosures, Financial Statements and Reports, Corporate sections under Investor Relations.
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Our corporate website at www.aksa.com/en , Investor Relations/Capital and Shareholding Structure.
List of languages for which the website is available	
2.2. Annual Report	Turkish and English
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	ANNEX - 1 Summary resumes of the Board of Directors, Annex-II Independent Declaration of Membership of the Board of Directors
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	This is included in the “c) Board of Directors and Committees” section under the heading “General Information” in our annual report.
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Other Information
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Other Information
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Litigations
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Other Information
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Other Information
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	This is included in the “2.4 Human Resources” section under the heading “Activity Information” in our annual report.

CORPORATE GOVERNANCE INFORMATION FORM

CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS

3.1. Corporation’s Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Our corporate website at www.aksa.com/en , Investor Relations/Policies/Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	7
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	It is held by a independent organisation as “Ethical Line”
The contact detail of the company alert mechanism.	0 - 800 - 211 - 0107 / 0 - 212 - 213 - 9718 / akkok@etikhat.com.tr
3.2. Supporting the Participation of the Stakeholders in the Corporation’s Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	Our corporate website at www.aksa.com/en , Human Resources section
Corporate bodies where employees are actually represented	Representation Board
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The succession plan for the key management positions is being prepared annually and be presented to Chairman
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Our corporate website at www.aksa.com/en , Human Resources/The Value Added to the Employees and Investor Relations/Policies/Women’s Employment and Women’s Board Membership Policy
Whether the company provides an employee stock ownership programme	-
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Our corporate website at www.aksa.com/en , Human Resources/The Value Added to the Employees and Investor Relations
The number of definitive convictions the company is subject to in relation to health and safety measures	1
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Our corporate website at www.aksa.com/en , Investor Relations/Corporate Governance/Code of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Our corporate website at www.aksa.com/en , Sustainability section

	The actions against any kind of corruption including embezzlement and bribery is held by Company.The necessary awareness-raising and control activities are coordinated by the Human Resources and ethics representative. Ethical management in this direction is available under the ar human resources section of our corporate website (www.aksa.com/en), we have disciplinary rules governing ethical management and compliance with the Company rules.
Any measures combating any kind of corruption including embezzlement and bribery	
4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	19/12/2024
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	With respect to the duty distribution among the Board of Directors, Mr. Raif Ali Dinçkök was appointed as the Chairman of the Board of Directors and Mr. İhsan Gökşin Durusoy as the Vice Chairman. There is no any other delagated duties and authorities.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	11
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Internal Control Mechanism
Name of the Chairman	Raif Ali Dinçkök
Name of the CEO	Cengiz Taş
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The CEO and Chairman functions are not combined
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company’s capital	https://www.kap.org.tr/en/Bildirim/1362163
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Our corporate website at www.aksa.com/en , Investor Relations/Policies/Women’s Employment and Women’s Board Membership Policy
The number and ratio of female directors within the Board of Directors	Number of 4 and 44% percentage

CORPORATE GOVERNANCE INFORMATION FORM

CORPORATE GOVERNANCE INFORMATION FORM

Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification That Includes the Independency Declaration	Whether the Independent Director Considered By the Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has at Least 5 Years’ Experience on Audit, Accounting and/or Finance or Not
Raif Ali Dinçkök	Not Executive Director	Not Independent Director	03.04.2017	-	Not Considered		
İhsan Gökşin Durusoy	Not Executive Director	Not Independent Director	04.04.2023	-	Not Considered		
Nilüfer Dinçkök Çiftçi	Not Executive Director	Not Independent Director	03.04.2017	-	Not Considered		
Cengiz Taş	Executive Director	Not Independent Director	01.04.2020	-	Not Considered		
İzer Lodrik	Not Executive Director	Not Independent Director	03.04.2017	-	Not Considered		
Alize Dinçkök	Not Executive Director	Not Independent Director	02.04.2019	-	Not Considered		
Lale Develioğlu	Not Executive Director	Independent Director	01.04.2020	https://www.kap.org.tr/en/Bildirim/1007959	Considered	No	Yes
Kamil Batur Şulen	Not Executive Director	Independent Director	01.04.2020	https://www.kap.org.tr/en/Bildirim/1007959	Considered	No	Yes
Güler Aras	Not Executive Director	Independent Director	04.04.2023	https://www.kap.org.tr/en/Bildirim/1007959	Considered	No	Yes

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors	
Number of physical or online board meetings in the reporting period (meetings in person)	5
Director average attendance rate at board meetings	96%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	At least 3 days
The name of the section on the corporate website that demonstrates information about the board charter	Our corporate website at www.aksa.com/en , Investor Relations/Corporate Governance/Board of Directors
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	While the maximum limit is not defined, nomination is accepted or not accepted by taking into consideration the duties of the candidates outside the Company in the election of board members. The Nominating Committee makes an evaluation on this issue and submits it to the Chairman of the Board of Directors.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	Board of Committees
Link(s) to the PDP announcement(s) with the board committee charters	www.kap.org.tr/en/Bildirim/210845 , www.kap.org.tr/en/Bildirim/279952 , https://www.kap.org.tr/en/Bildirim/1311134

Composition of Board Committees-I

Names of the Board Committees	Name of Committees Defined as “Other” in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	Kamil Batur Şulen	Yes	Yes
Audit Committee	-	Güler Aras	No	Yes
Corporate Governance Committee	-	Güler Aras	Yes	Yes
Corporate Governance Committee	-	Lale Develioğlu	No	Yes
Corporate Governance Committee	-	Erdoğan Kazak	No	No
Committee of Early Detection of Risk	-	Lale Develioğlu	Yes	Yes
Committee of Early Detection of Risk	-	Kamil Batur Şulen	No	Yes
Committee of Early Detection of Risk	-	Fırat Duman	No	No
Sustainability Committee	-	Güler Aras	Yes	Yes
Sustainability Committee	-	Lale Develioğlu	No	Yes

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Audit Committee
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Committee
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Committee
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Early Risk Detection Committee
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Committee
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Targets and Actuals
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Our corporate website at www.aksa.com/en , Investor Relations/Policies/Policy On Remunerations
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Financial Rights Provided to the Governing Body and Senior Executives

Composition of Board Committees-II

Names of the Board Committees	Name of Committees Defined as “Other” in the First Column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	5 (online meetings)	10
Corporate Governance Committee	-	68%	68%	4 (online meetings)	5
Committee of Early Detection of Risk	-	68%	68%	4 (online meetings)	6
Sustainability Committee	-	100%	100%	3 (online meetings)	3

ACTIVITIES OF INVESTOR RELATIONS

With a score of 9.75, our Company became the third company with the highest Corporate Governance Rating.

The fundamental duty of Aksa Akrilik Investor Relations is to keep in line with legal regulations and transparency to stakeholders, and it adopts an accountable, fair and responsible management model. In order to attain this goal, Aksa uses and manages an investor relations tool for the purpose of providing comprehensive and fully accurate information to stakeholders with regard the course of Aksa shares.

The responsibility of the investor relations function is defined under the Financial Affairs Directorate in the internal directive of the company and the job descriptions of the relevant units. In this vein, the Chief Financial Officer reports directly to the General Manager within the framework of the provisions of the legislation and carries out the responsibilities of the position of Investor Relations Department Manager, while serving as a licensed member of the Corporate Governance Committee. The basic working principles of Investor Relations can be listed as: availability, providing swift feedback to stakeholders, transparent, consistent and prompt information sharing, and maintaining an updated website. Strict attention is paid so that the unit is composed of competent individuals, who have good command of legal regulations, hold the licenses stipulated by the Capital Markets Board, know the company and sector dynamics intimately, and have the ability to transfer the same. Accordingly, the Investor Relations department knows well and analyzes the company, has an excellent command of company strategies, and thus aims to create differentiation by communicating these strategies through the most efficient methods.

1) Significant Developments in 2024

Distribution of Dividends

During the Annual General Meeting for the 2023 operating year, held on 28 March, 2024, the Company decided to pay the distributable profit from 2023 in accordance with the Turkish Commercial Code and the Company's Articles of Association. Accordingly, the decision was taken to allocate a General Legal Reserve of TL 160,265,000 and distribute a share of TL 1,618,750,000 of the gross profit to the Company's shareholders. The distribution of the dividend payments was completed in April.

**The amounts related to the gross profit share shown above are presented in TL terms at their historical values.*

Increase in the Authorised Capital Ceiling - Amendment to the Articles of Association

Our request for the amendment of the articles of association to raise our company's registered capital ceiling from TL 650,000,000 to TL 6,500,000,000, and to change the validity period of the registered capital ceiling to cover the years 2024-2028 was approved by the Capital Markets Board.

Notice Regarding increases or decreases in the Capital

Our company's issued capital was raised by TL 3,561,250,000 from TL 323,750,000 to TL 3,885,000,000 through internal resources, within the Registered Capital Ceiling of TL 6,500,000,000, with the increase registered by the Yalova Trade Registry Office on 1 August, 2024.

Purchase of Tangible Fixed Assets

Considering the expansion areas around the Company's production facilities and taking into account the potential need for future growth, the 16,965.79 m2 of land owned and shared by Akkim Kimya Sanayi ve Ticaret A.Ş. was purchased for TL 70,000,000 and the property rights and shares of the 33,427.62 m² industrial facility and land were purchased for TL 508,215,000 on 1 August, 2024.

** The amounts related to the purchase of tangible fixed assets described above are presented in TL terms at their historical values.*

Corporate Governance Rating Report

Aksa Akrilik Kimya Sanayii A.Ş.'s Corporate Governance Principles Compliance Rating was revised to 9.77.

Credit Rating Report

In its report dated 28 February, 2024, JCR Eurasia Rating Inc. ascribed a long-term national rating of “AAA (Tr)” rating, which is in the highly investment grade category, for our company while determining the outlook of this rating as “Stable”. The International Foreign and Local Currency Rating, meanwhile, was determined as “BB” with a “Negative” outlook.

Partial Demerger under the Subsidiary Model

In order to enhance the strategic focus and growth potential of our company's energy and utilities business unit, the decision was taken for these activities to continue under a separate joint stock company. A new company to be established by the partial demerger method for this purpose, by transferring all of its assets and liabilities in Aksa Akrilik Kimya Sanayii A.Ş., will be our 100% subsidiary.

Acquisition of Financial Fixed Asset

In line with our company's strategy of ‘becoming a leader with innovative solutions in advanced materials’, the decision was taken to purchase all of the shares in BTB Havacılık Yatırım A.Ş., which holds 49% of the shares in Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş. (“Epsilon”), which produces composite parts and molds, mainly for the aviation sector. As a part of this process, in order to have a say in the management of Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş. and strengthen our strategic control over the company, the decision was taken to purchase 5% of the shares of Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş. from NDÇ Holding A.Ş. and a Share Transfer Agreement was signed. As a result, our company's direct and indirect share in Epsilon reached 54%. The closing transactions were carried out in January 2025 and the share transfer transactions were then completed.

2) Share Performance

Our Company shares are listed in the following indexes of the Borsa Istanbul (BIST) stock market, and our share performance is shown below.

- BIST 100-30
 - BIST Industrial
 - BIST Dividend 25
 - BIST Star
 - BIST 500
 - BIST Sustainability
 - BIST Participation 30
 - BIST Participation 100
 - BIST Participation Dividend
- BIST Chemical, Oil, Plastic
 - BIST Dividend
 - BIST All
 - BIST 100
 - BIST Corporate Governance
 - BIST Sustainability Participation
 - BIST Participation 50
 - BIST Participation All

The company’s shares have been traded on the Borsa Istanbul since 1986. The performance of the shares on the stock market since 2020 is summarized in the table below:

Share Information	2020	2021	2022	2023	2024
Lowest Price (TL)	0.37	0.93	2.08	4.41	6.86
Highest Price (TL)	1.06	3.06	7.32	8.36	13.34
Closing Price (TL)	1.02	2.53	7.04	8.15	12.94
Market Value (Million TL)	3,963	9,829	27,350	31,663	50,272

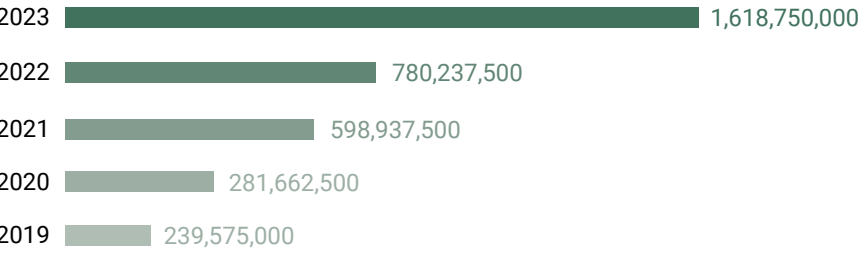
The prices valid for previous years on the table show corrected share prices.

3) Dividend

The dividend distribution for the 2023 operating period was approved at the Annual General Meeting on 28 March 2024, with the distribution of the dividend in cash to the company’s shareholders completed on 3 April 2024.

The gross dividends distributed over the last five (5) years are listed below:

Gross Dividend Paid (TL)



* The gross dividend distribution amounts shown above are presented in TL terms at their historical values.

4) General Assembly

The Ordinary General Assembly Meeting of the Company for the year 2023 was held on March 28, 2024 at the Yalova Factory. Shareholders representing 69.71% of the Company’s shares attended the meeting.

5) Other Activities within the Year

In 2024, it was aimed to answer questions from the Capital Markets Board completely and accurately, to provide documents and information swiftly, and to establish accurate and efficient communication with the Board. Activities of Investor Relations were conducted within this scope.

The necessary replies were given to investors’ questions with the same information, and retaining the principle of equal treatment for all shareholders.

Disclosures made to the public via the Public Disclosure Platform were to be shared on time and in an accurate, complete, comprehensible and interpretable manner, and it was ensured that all shareholders would be informed about any developments, equally and simultaneously.

Other activities carried out by the Investor Relations Unit as of the end of the year are summarized as follows:

- A total of 77 Public Disclosure Disclosures on the Public Disclosure Platform,
- Forty-one (41) meetings were held with local and foreign investors / analysts face-toface, by telephone and teleconference,
- Four (4) conference calls for analysts,
- Participation in two live broadcasts on television and social media covering the investor relations agenda,
- One factory tour for shareholders attending the Annual General Meeting,
- Participation as a speaker in a conference at a university one (1) time
- A Company roadshow with 7 Portfolio Investment Companies.

Investor Relations Department contact:

Name Surname	Title	Phone	License Document	Document No	E-Mail
Erdoğan KAZAK	Financial Affairs Director	0(226) 353 25 45 / 41400	Capital Markets Activities Level 3 Corporate Governance Rating Expertise	205781700753	erdinc.kazak@aksa.com
Erdem TATBUL	Accounting and Reporting Manager	0(226) 353 25 45 / 41500	Capital Markets Activities Level 3 Corporate Governance Rating Expertise	208881701742	erdem.tatbul@aksa.com

Investor Relations Department Contact information:

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E-mail: ir@aksa.com

Address: Merkez Mahallesi Ali Raif Dinçkök Caddesi No:2 Taşköprü/Çiftlikköy/Yalova

OTHER INFORMATIONS

The Company’s other statements within the scope of the Capital Markets Board and the Turkish Commercial Code regulations are as follows:

- The Company has not acquired its own shares.
- There were no private or public audits in our Company during 2024, except for tax inspections.
- There were no legislative changes in 2024 which significantly changed the Company’s activities.
- There were no issues that would be the subject of a conflict of interest between the company and the institutions which it received services from in areas such as investment consultancy and ratings during 2024.
- The Company has no unredeemed capital and the Company is not in a debt-choked status.
- There is no partnership in which the company has a mutual participation relationship.
- In accordance with the legislation, information on related party transactions and balances and the benefits provided to the Board of Directors and senior executives is included in item “e” of the General Information section.
- Information regarding the Company’s financial resources is provided in footnote No. 7, titled “Financial Borrowings”, in the Financial Statements section. There are no capital market instruments issued during the year or still active.
- The decisions taken in the General Assembly were implemented.
- During the Annual General Meeting to cover the company’s activities in 2023, the decision was taken to pay a monthly net fee of TL 75,000 to each of the members of the Board of Directors for the year 2024 during their term of office, with no other remuneration paid to non-executive members.
- There was no extraordinary meeting held within the year.
- 5 Board meetings were held during the activity period and the attendance rate of the members of the Board of Directors was 96%.
- Due to the change in the registered capital ceiling and the increase in the free capital, amendments were carried out to Article six (6) of the Articles of Association (“Capital”) during the period, with the old and new texts set out in the attached table.

AKSA AKRILIK KIMYA SANAYI ANONIM SIRKETI ARTICLES OF ASSOCIATION AMENDMENT TEXT

OLD FORM	NEW FORM
<p>CAPITAL:</p> <p>ARTICLE 6- The Company has adopted the registered capital system by the provisions of the Capital Markets Law and transitioned to this system with the permission of the Capital Markets Board dated 20.02.1992 and numbered 90.</p> <p>The registered capital ceiling of the Company is 650,000,000 (six hundred and fifty million) Turkish Liras, divided into 65,000,000,000 shares, each with a nominal value of 1-Kr (One Kuruş).</p> <p>The company’s capital may be increased or decreased as necessary within the framework of the provisions of the Turkish Commercial Code and Capital Markets legislation.</p> <p>The authorized capital ceiling granted by the Capital Markets Board is valid for 2021-2025 (5 years). Even if the authorized capital ceiling is not reached by the end of 2025, for the Board of Directors to be able to decide on the capital increase after 2025, it is obligatory to obtain authorization from the Capital Markets Board for either the previously authorized ceiling or a new ceiling amount and to obtain approval from the General Assembly for a new period. If this authorization is not received, a capital increase cannot be made by the board of directors’ decision.</p> <p>The company’s issued capital is fully paid at 323,750,000 (Three Hundred Twenty-Three Million Seven Hundred Fifty Thousand) Turkish Liras.</p> <p>Shares representing the capital are kept in book-entry form by the principles of dematerialization.</p> <p>The Board of Directors is authorized, between 2021-2025, to increase the issued capital up to the registered capital ceiling by issuing shares when deemed necessary by the provisions of the Capital Markets Law, to issue shares above or below their nominal value, to limit the shareholders’ rights to subscribe for new shares, and to decide on the issuance of premium shares. The authority to restrict the right to subscribe for new shares cannot be used in a manner that would cause inequality among shareholders.</p> <p>All shares of the Company are registered shares. The Company is not permitted to issue bearer shares.</p> <p>With the approval of the Energy Market Regulatory Authority, the Company is permitted to acquire and accept its shares as collateral, subject to the restrictions specified in the Turkish Commercial Code and the Capital Markets Law.</p>	<p>CAPITAL:</p> <p>ARTICLE 6- The Company has adopted the registered capital system by the provisions of the Capital Markets Law and transitioned to this system with the permission of the Capital Markets Board dated 20.02.1992 and numbered 90.</p> <p>The registered capital ceiling of the Company is 6,500,000,000- (six billion five hundred million) Turkish Liras, divided into 650,000,000,000 shares, each with a nominal value of 1-Kr (One Kuruş).</p> <p>The company’s capital may be increased or decreased as necessary within the framework of the provisions of the Turkish Commercial Code and Capital Markets legislation.</p> <p>The authorized capital ceiling granted by the Capital Markets Board is valid for 2024- 2028 (5 years). Even if the authorized capital ceiling is not reached by the end of 2028, for the Board of Directors to be able to decide on the capital increase after 2028, it is obligatory to obtain authorization from the Capital Markets Board for either the previously authorized ceiling or a new ceiling amount and to obtain approval from the General Assembly for a new period. If this authorization is not received, a capital increase cannot be made by the board of directors’ decision.</p> <p>The issued capital of the Company is TL 3,885,000,000 (three billion, eight hundred and eighty-five million) Turkish Lira, fully paid-up.</p> <p>Shares representing the capital are kept in book-entry form by the principles of dematerialization.</p> <p>The Board of Directors is authorized, between 2024 - 2028, to increase the issued capital up to the registered capital ceiling by issuing shares when deemed necessary by the provisions of the Capital Markets Law, to issue shares above or below their nominal value, to limit the shareholders’ rights to subscribe for new shares, and to decide on the issuance of premium shares. The authority to restrict the right to subscribe for new shares cannot be used in a manner that would cause inequality among shareholders.</p> <p>All shares of the Company are registered shares. The Company is not permitted to issue bearer shares.</p> <p>With the approval of the Energy Market Regulatory Authority, the Company is permitted to acquire and accept its shares as collateral, subject to the restrictions specified in the Turkish Commercial Code and the Capital Markets Law.</p>

Litigations

There are various lawsuits filed in 2024 in favor of or against the Company, such as debt claims, business or administrative proceedings, and various lawsuits filed by the Company’s shareholders. These lawsuits do not have a material impact on the Company’s financial status and activities.

AFTER 2024

Acquisition of Financial Fixed Asset

In line with the company’s strategy of ‘becoming a leader in advanced materials with innovative solutions’, the acquisition of all shares in BTB Havacılık Yatırım A.Ş., which holds 49% of the shares of Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş. (“Epsilon”), which mainly produces composite parts and molds for the aviation industry, and has no other activities, for USD 20,237,000 and 5% of Epsilon’s shares from NDÇ Holding A.Ş. for USD 2,065,000 was completed on 28 January 2025. Thus, the company became a 54% shareholder in Epsilon.

Capital Increase of Subsidiary

In accordance with the decision taken by our company’s Board of Directors, the decision was taken to participate in the capital increase to be realized given that the current capital of Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş. (“Epsilon”), a subsidiary of Aksa Akrilik Kimya Sanayii A.Ş., will be increased from TL 26,500,000 to TL 326,500,000 within the scope of foreseen investments and needs. The capital increase of TL 162,000,000 corresponds to 54% of the total capital increase in accordance with the company’s direct and indirect stake in the company. The transaction will be carried out after the relevant capital increase is registered in the Trade Registry Gazette.

Application to the CMB for Partial Demerger in Procedure Facilitated by the Subsidiary Model

Within the scope of the “Partial Demerger in the Procedure Facilitated by the Subsidiary Model” process initiated in line with the decision taken by our company’s Board of Directors on 11 November, 2024, the process for the transfer of the activities of our energy business unit to a new company to be established as our 100% subsidiary by the partial demerger method was initiated.

In this context, an application was submitted to the Capital Markets Board with a request for approval of the announcement text prepared in accordance with the provisions of the relevant Capital Markets legislation.

Investment in Technical Yarn Plant

In line with our growth strategy in the field of technical textiles and advanced materials, our company’s decision to start investing in a technical yarn facility with an annual capacity of 7,000 tonnes was announced to the public in 2022.

The first phase of this investment, including three production lines with a capacity of 4,000 tonnes/year was successfully commissioned and commercial sales got underway. In addition, we continue our R&D and product development activities to expand our product portfolio in line with customer and market needs, and sample shipments for commercial use of new products are actively carried out with our strategic business partners and potential customers.

Two further lines are planned to be commissioned by the end of 2025 within the scope of the second phase of the investment.

Senior Management Assignment

Bariş Devrimşel started to work as the “Supply Chain Director” with effect from 2 April, 2025.

DIVIDEND DISTRIBUTION POLICY

In accordance with the provisions of the Turkish Commercial Code, the Capital Markets Board (CMB) Corporate Governance Communiqué, the Dividend Communiqué no II-19.1 and other CMB Legislation, Tax Legislation and other relevant legislation and also within the context of Article 25 of the Articles of Association, the Dividend Distribution Policy of our Company was determined as follows in a resolution taken in 2014.

In order to ensure that our partners achieve dividends regularly, in addition to return on shares, concerning the profits related to 2014 and the following years, at least 20% of the distributable profit is distributed annually within the framework of Article 25 of the Company’s Articles of Association, provided that it doesn’t conflict with existing regulations of the Capital Markets Board, and there aren’t any negative economic conditions, and taking into consideration the Company’s anticipated investment expenditures and other funds needed.

Within the framework of the provision of sub-paragraph (c) of Article 25 of the Articles of Association and the Company’s “Remuneration Policy for the Members of the Board of Directors and Senior Executives”, it will be possible to pay dividends to the Members of the Board of Directors depending on the General Assembly decision.

The entire amount of the dividend planned to be distributed, may be distributed only if it can be met from net distributable profits and other resources existing in statutory records.

There are no privileged shares in the Company. The dividends to be distributed to the shareholders are distributed equally to all of the existing shares in proportion to their share, as of the distribution date, regardless of their dates of issue and acquisition.

Dividend can be distributed in cash or by bonus shares or partially in cash and partially by bonus shares.

The dividend distribution date is determined by the General Assembly in accordance with the proposal of the Board of Directors provided that it is not contrary to the Capital Markets Board legislation, and starting no later than the end of the fiscal year of the General Assembly in which the distribution decision was taken.

Distributable dividend can be paid in equal or varying installments. The number of installments shall be determined by the General Assembly or by the Board of Directors, provided that it is expressly authorized by the General Assembly. In the event that the installment payment dates are determined by the Board of Directors, the payment dates shall be disclosed to the public, in the framework of the Capital Markets Board’s regulations on material disclosures, within fifteen days following the date of the General Assembly.

Dividend advance payments may be distributed to the shareholders provided that such payments are in compliance with the relevant Capital Markets Board Legislation.

This “Dividend Distribution Policy” may be revised annually, taking into account the Company’s financial performance, anticipated investment projects, and sectoral and economic conditions.

SUMMARY OF THE 2024 SUBSIDIARY COMPANY REPORT PREPARED BY THE BOARD OF DIRECTORS OF AKSA AKRİLİK KİMYA SANAYİİ A.Ş. PURSUANT TO ARTICLE 199 OF THE TURKISH COMMERCIAL CODE

Pursuant to Article 199 of the Turkish Commercial Code No. 6102, which came into force on July 1, 2012, the Board of Directors of Aksa is obliged to prepare a report within the first three months of the fiscal year about the relations of the Company with its controlling shareholder and the subsidiaries of the controlling shareholder, and to include the conclusion part of this report in the annual report. The necessary explanations on related party transactions made by Aksa are provided in footnote No. 28 of the financial report. It is stated in the Commitment report prepared by the Board of Directors of Aksa that, “An appropriate counter action was taken in all transactions made in 2024 by Aksa with its controlling shareholders or subsidiaries, according to the circumstances known by us at the time the transaction was made or the measure was taken or avoided, and any measure that was taken or avoided didn’t cause any damage to the Company, and in this context, it is concluded that no damage that would require compensation was encountered”.

Targets and Actuals

	Target (USD million)	Actual (USD million) (*)
Turnover	850	865
Investment(**)	90 (+ / -10)	103

(*) The indexed revenue figure, adjusted for inflation accounting, is shown as divided by the average exchange rate of the US dollar.

(**) Capital expenditures were slightly higher than the targeted amount due to the fact that the deadline for orders for the Technical Fiber Facility was brought forward.

	Target (%)	Actual (%)
EBITDA Margin	15 - 17	16
Capacity Utilization Rate	82 (+ / -10)	82

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF THE CAPITAL MARKETS BOARD COMMUNIQUE SERIAL: II- 14.1 ON PRINCIPLES REGARDING FINANCIAL REPORTING IN CAPITAL MARKETS

UPON THE APPROVAL OF THE INTEGRATED ANNUAL REPORT, THE BOARD OF DIRECTORS’;

DECISION DATE : 18.04.2025

DECISION NUMBER : 2025/19

The integrated activity report for 2024, prepared in accordance with the format and content determined by the CMB and relevant regulations in accordance with the Capital Markets Board’s (CMB) “Communiqué on Principles Regarding Financial Reporting in Capital Markets” (“Communiqué”), Series II.14.1;

Was examined by our side;

Did not include any explanation contrary to the facts with respect to important matters or any gaps that could be misleading as of the date when the explanation was made, to the extent of the information we have, as per our duty and responsibility within the Company;

To the extent of the information we have, as per our duty and responsibility within the Company, the Annual Report, which was prepared in accordance with the relevant Communiqué, solely reflects the truth regarding the development and performance of the business; and along with those under the scope of consolidation, reflects the truth regarding the Company’s financial status, together with the significant risks and uncertainties it faces, and that we are liable for the statement made.

Sincerely,

Kamil Batur ŞULEN

Chairman of the Audit Committee

Güler ARAS

Chairman of the Audit Committee

Erdinç KAZAK

Director of Financial Affairs

DIVIDEND DISTRIBUTION PROPOSAL

Dear Shareholders,

We are presenting our activity data and financial tables for 2024. In line with our dividend distribution policy, the distributable profit of our Company for 2024 is as below and will be submitted for the approval of the General Assembly.

Our consolidated Balance Sheet net profit for the period stands at TL 1,136,624,873, which is included in the financial statements of the Capital Markets Board’s Communiqué Serial: II, No: 14.1. Our net profit for the period included in our financial statements prepared within the framework of the provisions of the Tax Procedure Law is TL 2,330,183,078.

In accordance with the provisions of the Capital Markets Board’s Communiqué II, No: 14.1, TL 1,864,800,000 of profit distribution will be made from the parent company’s net period profit, amounting to TL 1,136,624,873. In relation to this act;

• The decision was taken to allocate TL 116,509,153.90 as the First Order Legal Reserve Fund in accordance with the provision of paragraph 1 of Article 519 of the Turkish Commercial Code and Article 25 of our company’s Articles of Association from the net profit of TL 2,330,183,078 for the period in our legal records,

• The first dividend of TL 194,250,000.00 (the gross dividend amount corresponding to a nominal share of TL 1.00 is TL 0.05 and the gross rate of dividend is 5%), which corresponds to 5% of the Company’s total paid capital of TL 3,885,000,000, be distributed to our shareholders in cash within the framework of Article 25 of the Company’s Articles of Association,

• The decision was taken to distribute a second dividend of the remaining TL 825,865,719.10, amounting to TL 658,810,719.10 (representing a gross dividend of TL 0.169578 per TL 1.00 nominally valued share and a gross dividend yield of 16.9578%), in accordance with Article 25 of the Articles of Association of our Company, in cash to our shareholders within the framework of the provision of the article,

• As a result of the dividend distribution, a General Legal Reserve of TL 167,055,000 will be allocated.

• The dividend amount of TL 1,011,739,280.90 (the gross dividend amount per share with a nominal value of TL 1.00 is TL 0.260422, with a gross dividend rate of 26.0422%) to be distributed from other distributable reserves (prior year profits) is planned to be distributed to our shareholders in cash in accordance with Article 25 of our Company’s Articles of Association.

• The total amount of dividends to be distributed from the profits of the current year, the previous year, and other distributable sources is determined as TL 1,864,800,000 (dividend amount per share with a nominal value of TL 1.00 is gross TL 0.48, dividend rate gross 48.00%).

Distribution of dividend amounts in cash shall take place on May 21, 2025. We submit the profit distribution proposal for the approval of the General Assembly regarding:

Esteemed shareholders, we offer our best regards with the hope that the coming years will bring happy and successful days to our country and to our Company.

Board of Directors

DECISION DATE : **18.04.2025**

DECISION NUMBER : **2025/19**

Members of the Board of Directors of AKSA AKRİLİK KİMYA SANAYİİ ANONİM ŞİRKETİ took the following decision in compliance with Article 390/4 of the Turkish Commercial Code:

The decision was taken to approve our Company’s annual integrated activity report for 2025, which was deposited with the report of the Audit Committee dated 18 March 2025 and numbered 2025/4, and to publish the report on the Public Disclosure Platform (PDP).

MEMBERS OF THE BOARD OF DIRECTORS

Raif Ali DİNÇKÖK
Chairman of the Board

İhsan Gökşin DURUSOY
Vice Chairman of the Board

Nilüfer DİNÇKÖK ÇİFTÇİ
Board Member

Alize DİNÇKÖK
Board Member

İzer LODRİK
Board Member

Cengiz TAŞ
Board Member

Lale DEVELİOĞLU
Independent Board Member

Güler ARAS
Independent Board Member

Kamil Batur ŞULEN
Independent Board Member



(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S’ REPORT AND FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

1 JANUARY – 31 DECEMBER, 2024 FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITOR’S REPORT



Independent Auditor’s Report

To the General Assembly of Aksa Akrilik Kimya Sanayii A.Ş.

A. Audit of the financial statements

1. Our opinion

We have audited the accompanying financial statements of Aksa Akrilik Kimya Sanayii A.Ş. (the “Company”) which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company 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 adopted within the framework of the regulations of the Capital Markets Board and 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 Financial Statements” section of our report. We hereby declare that we are independent of the Company 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; the regulations of the Capital Markets Board; and other relevant legislation 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 financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the 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	
<p>Trade receivables from third parties amounting to TRY 1,538,457 thousand as of 31 December 2024, are material to the 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.</p> <p>Please refer to notes 2.3, 2.4, 8 and 29 to the financial statements for the Company’s disclosures on trade receivables, including the related accounting policy.</p>	<p>We performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none">• 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 Company’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 Company’s ability to convert them to cash,• Assessing the adequacy of disclosures around recoverability of trade receivables in the notes to the financial statements.

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

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

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

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

5. Auditor’s responsibilities for the audit of the 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 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 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.
- 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Company as a basis for forming an opinion on the 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.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

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

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 17 February 2025.

PwC Bağımsız Denetim ve

Serbest Muhasebeci Mali Müşavirlik A.Ş.

Sertu Tali, SMMM

Independent Auditor

Istanbul, 17 February 2025

Aksa Akrilik Kimya Sanayii A.Ş.

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘TRY’) as of 31 December 2024, unless otherwise indicated.)

	Notes	USD (*)	Audited	
			31 December 2024	31 December 2023
ASSETS				
Current Assets		357,273	12,604,629	14,110,637
Cash and cash equivalents	4	89,636	3,162,396	4,890,151
Financial investments	5	-	-	83,855
Trade receivables				
- Due from third parties	8	43,607	1,538,457	1,166,540
- Due from related parties	28	66,119	2,332,660	2,219,307
Other receivables				
- Due from third parties	9	24	847	787
Derivative financial assets	18	3,217	113,499	8,179
Inventories	10	127,599	4,501,714	4,978,501
Prepaid expenses	17	2,850	100,541	109,365
Current income tax assets	26	3,483	122,870	-
Other current assets	17	20,738	731,645	653,952
Non-current assets		652,722	23,028,219	21,986,493
Financial investments	5	514	18,120	4,414
Trade receivables				
- Due from third parties	8	-	-	129,743
Investment accounted for using equity method	6	59,825	2,110,644	2,504,227
Investment properties	11	16,349	576,782	15,502
Property, plant and equipment	13	536,591	18,931,094	17,902,569
Right of use assets	12	3,772	133,082	174,781
Intangible assets and goodwill				
- Goodwill	14	3,271	115,388	115,388
- Other intangible assets	14	24,853	876,838	822,188
Prepaid expenses	17	7,547	266,271	317,681
Total assets		1,009,995	35,632,848	36,097,130

These financial statements at 31 December 2024 have been reviewed by the Audit Committee and approved for issue by the Board of Directors on 17 February 2025. These consolidated financial statements will be finalised after approval in the General Assembly.

(*) United States Dollar (‘‘USD’’) amounts presented above have been translated from Turkish Lira (‘‘TRY’’) for convenience purposes only, at the official TRY bid rate announced by the Central Bank of the Republic of Turkey (‘‘CBRT’’) at 31 December 2024, and therefore do not form part of these interim condensed financial statements (Note 2.6).

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

Aksa Akrilik Kimya Sanayii A.Ş.

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘TRY’) as of 31 December 2024, unless otherwise indicated.)

	Notes	USD (*)	Audited	
			31 December 2024	31 December 2023
Current liabilities		281,373	9,926,782	9,948,059
Current borrowings				
- Current borrowing to related parties	7, 28	73,329	2,587,084	904,159
- Current borrowing to other parties	7	68,385	2,412,660	1,427,698
Current portions of non-current borrowings				
- Bank loans	7	14,710	518,980	1,095,963
- Lease liabilities	7	760	26,818	35,896
Trade payables				
- Due to third parties	8	95,042	3,353,100	5,134,250
- Due to related parties	28	8,952	315,816	457,489
Payables related to employee benefits	16	1,181	41,665	55,869
Other payables				
- Other payables to third parties	9	38	1,174	2,030
Deferred income other than contract liabilities	17	15,554	548,733	508,646
Current income tax liability	26	-	-	113,620
Current provisions				
- Current provisions for employee benefits	16	3,419	120,632	212,266
- Other current provisions	15	3	120	173
Non-current liabilities		51,847	1,829,181	1,987,972
Long term borrowings				
- Bank loans	7	24,482	863,739	1,650,606
- Lease liabilities	7	832	29,367	81,317
Non-current provisions				
- Non-current provisions for employee benefits	16	4,340	153,109	171,500
Deferred tax liabilities	26	22,086	779,200	79,735
Other non-current liabilities	17	107	3,766	4,814
Total liabilities		333,220	11,755,963	11,936,031

(*) United States Dollar (‘‘USD’’) amounts presented above have been translated from Turkish Lira (‘‘TRY’’) for convenience purposes only, at the official TRY bid rate announced by the Central Bank of the Republic of Turkey (‘‘CBRT’’) at 31 December 2024, and therefore do not form part of these condensed financial statements (Note 2.6).

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

Aksa Akrilik Kimya Sanayii A.Ş.

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

	Notes	USD (*)	Audited	
			31 December 2024	31 December 2023
EQUITY		676,775	23,876,885	24,161,099
Equity attributable to owners of parent				
Paid-in capital	19	110,118	3,885,000	323,750
Inflation adjustments on capital		140,994	4,974,325	8,535,575
Other accumulated comprehensive income/(loss) that will not be reclassified in profit or loss		(3,214)		
- Gains/(losses) on remeasurement of defined benefit plans			(113,381)	(173,487)
- Share of other comprehensive income of investments accounted for using equity method		1,270	44,790	55,319
- Other revaluation and measurement gains/losses		48	1,704	1,657
Other comprehensive income/loss that will be reclassified in profit or loss				
- Currency translation differences		39,517	1,394,177	1,533,288
- Gains/(losses) on hedge		(28,379)	(1,001,210)	(1,731,260)
Restricted reserves	19	90,059	3,177,326	2,976,241
Retained earnings		294,145	10,377,529	10,254,906
Net profit for the period		32,217	1,136,625	2,385,110
Total liabilities and equity		1,009,995	35,632,848	36,097,130

(*) United States Dollar (‘‘USD’’) amounts presented above have been translated from Turkish Lira (‘‘TRY’’) for convenience purposes only, at the official TRY bid rate announced by the Central Bank of the Republic of Turkey (‘‘CBRT’’) at 31 December 2024, and therefore do not form part of these condensed financial statements (Note 2.6).

Aksa Akrilik Kimya Sanayii A.Ş.

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

Profit or loss	Notes	USD (*)	Audited	
			2024	2023
Revenue	20	864,717	28,361,359	34,553,569
Cost of sales (-)	20, 21	(734,962)	(24,105,577)	(28,846,492)
Gross profit		129,755	4,255,782	5,707,077
General administrative expenses (-)	21	(21,012)	(689,164)	(625,642)
Marketing expenses (-)	21	(22,376)	(733,893)	(762,139)
Research and development expenses (-)	21	(2,883)	(94,555)	(124,078)
Other income from operating activities	22	41,372	1,356,935	2,695,124
Other expense from operating activities (-)	22	(41,041)	(1,346,085)	(3,108,603)
Profit from operating activities		83,815	2,749,020	3,781,739
Investment activity income	23	1,217	39,929	168,717
Share of gain/(loss) from investments accounted for using equity method		1,143	37,497	150,164
Profit before financing income/(expense)		86,175	2,826,447	4,100,620
Finance income	24	36,321	1,191,285	1,755,051
Finance expense (-)	24	(77,976)	(2,557,477)	(3,255,073)
Monetary gain/(loss), net	25	14,628	479,761	742,090
Profit from continuing operations, before tax		59,148	1,940,016	3,342,688
Tax (expense)/income from continuing operations				
- Current period tax expense	26	(10,485)	(343,902)	(549,155)
- Deferred tax income	26	(14,009)	(459,489)	(408,423)
Profit from continuing operations		34,654	1,136,625	2,385,110
Attributable to:				
Owners of parent		34,654	1,136,625	2,385,110
Non-controlling interests		-	-	-
		34,654	1,136,625	2,385,110
Basic earnings per share from continuing operations (Kr)	27	0.29	0.29	0.61

(*) USD amounts presented above have been translated from TRY for convenience purposes only, at the USD average CBRT bid rates for the period ended 31 December 2024 and therefore do not form part of these condensed financial statements (Note 2.6).

Aksa Akrilik Kimya Sanayii A.Ş.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

Other comprehensive income	Notes	USD ^(*)	Audited	
			2024	2023
Profit from continuing operations		34,654	1,136,625	2,385,110
Other comprehensive income that will not be reclassified to profit or loss				
Gains/(losses) on remeasurements of defined benefit plans	16	1,198	39,303	157,335
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss				
Gains/(losses) on remeasurement of defined benefit plans of associates and joint ventures accounted for using equity method	6	(321)	(10,529)	47,739
Other revaluation and measurement gains/losses		1	47	1,657
Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	26	(288)	(9,434)	(37,764)
Other comprehensive income that will be reclassified to profit or loss				
Other comprehensive (loss)/income related with cash flow hedges		29,288	960,592	(369,777)
Currency translation differences		(4,241)	(139,111)	294,947
Taxes relating to other comprehensive income to be reclassified to profit/loss	26	(7,029)	(230,542)	165,074
Total comprehensive income		53,263	1,746,951	2,644,321
Attributable to:				
Owners of parent		53,263	1,746,951	2,644,321
Non-controlling interests		-	-	-
		53,263	1,746,951	2,644,321

(*) USD amounts presented above have been translated from TRY for convenience purposes only, at the USD average CBRT bid rates for the period ended 31 December 2024, and therefore do not form part of these condensed financial statements (Note 2.6).

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

Audited	Paid-in capital	Inflation adjustments on capital	Other revaluation and measurement gain/losses	Gains/(losses) on hedge ⁽¹⁾	Restricted reserves	Income from investments accounted for using equity method ⁽²⁾	Currency translation differences	Gains/(losses) on remeasurement of defined benefit plans ⁽²⁾	Retained earnings	Net profit for the period	Total equity
1 January 2023	323,750	8,535,575	(1,526,557)	2,818,466	7,580	-	1,238,341	(293,058)	5,434,586	6,589,265	23,127,948
Transfers ^(*)	-	-	-	157,775	-	-	-	-	6,431,490	(6,589,265)	-
Dividends paid	-	-	-	-	-	-	-	-	(1,611,170)	-	(1,611,170)
Total comprehensive- income	-	-	(204,703)	-	47,739	1,657	294,947	119,571	-	2,385,110	2,644,321
31 December 2023	323,750	8,535,575	(1,731,260)	2,976,241	55,319	1,657	1,533,288	(173,487)	10,254,906	2,385,110	24,161,099
Audited	Paid-in capital	Inflation adjustments on capital	Other revaluation and measurement gain/losses	Gains/(losses) on hedge ⁽¹⁾	Restricted reserves	Income from investments accounted for using equity method ⁽²⁾	Currency translation differences	Gains/(losses) on remeasurement of defined benefit plans ⁽²⁾	Retained earnings	Net profit for the period	Total equity
1 January 2024	323,750	8,535,575	(1,731,260)	2,976,241	55,319	1,657	1,533,288	(173,487)	10,254,906	2,385,110	24,161,099
Increase/(decrease) through treasury share transactions (Note 19)	3,561,250	(3,561,250)	-	-	-	-	-	-	-	-	-
Transfers ^(*)	-	-	-	201,085	-	-	-	30,237	2,153,788	(2,385,110)	-
Dividends paid	-	-	-	-	-	-	-	-	(2,031,165)	-	(2,031,165)
Total comprehensive income	-	-	730,050	-	(10,529)	47	(139,111)	29,869	-	1,136,625	1,746,951
31 December 2024	3,885,000	4,974,325	(1,001,210)	3,177,326	44,790	1,704	1,394,177	(113,381)	10,377,529	1,136,625	23,876,885

(*) According to the board decision announced by the Capital Markets Board's announcement dated March 7, 2024, the revaluation and measurement gains (losses) should be reset to zero by transferring their values before the transition period to Inflation Accounting to the "Retained Years Profits or Losses" account, so the defined benefit value is 30,237 TL. The balance of remeasurement losses of plans is classified into the "Retained Earnings" account.

⁽¹⁾ Items to be reclassified to profit and loss
⁽²⁾ Items not to be reclassified to profit and loss

Aksa Akrilik Kimya Sanayii A.Ş.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

	Notes	2024	2023
A. Cash flows from/(used in) operating activities		2,050,957	5,267,924
Profit for the period		1,136,625	2,385,110
Adjustments to reconcile profit/(loss):		3,887,748	2,739,749
- Adjustments for depreciation and amortization expense	21	1,745,372	1,649,754
- Adjustments for impairment loss / (reversal of impairment loss)		61,467	115,600
- Adjustments for provisions		63,440	24,921
- Adjustments for interest income and expense	22, 24	161,355	139,291
- Adjustments for unrealised foreign exchange losses/(gains)		449,486	(143,946)
- Adjustments for fair value gains/(losses)		(105,320)	50,251
- Adjustments for undistributed profits of investments accounted for using equity method	6	(37,498)	(150,164)
- Adjustments for tax expense	26	803,391	957,578
- Adjustments for losses/(gains) on disposal of non-current assets		(1,736)	(11,390)
- Adjustments for losses/(gains) on disposal of subsidiaries		-	(111,395)
- Adjustments for monetary losses/(gains)		747,791	219,249
Changes in working capital		(2,808,212)	(99,850)
- Adjustments for (increase)/decrease in inventories		495,593	941,194
- Adjustments for (increase)/decrease in trade receivables		1,121,124	2,927,249
- Adjustments for (increase)/decrease in other operating receivables		(60)	(95)
- Adjustments for increase/(decrease) in trade payables		(3,855,787)	(3,618,893)
- Adjustments for increase/(decrease) in other operating payables		(856)	(13,149)
- Other adjustments for other increase/(decrease) in working capital		(568,226)	(336,156)
Cash flows from/ (used in) operations		2,216,161	5,025,009
Interest paid		(196,114)	(193,362)
Interest received		229,979	241,066
Payments related with provisions for employee benefits		(145,897)	(294,520)
Income taxes paid/refunds		(53,172)	489,731

Aksa Akrilik Kimya Sanayii A.Ş.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

	Notes	2024	2023
B. Cash flows from / (used in) investing activities		(3,406,328)	(2,565,641)
Cash inflows from disposal of subsidiaries, resulted in the loss of control of the subsidiaries		-	64,376
Proceeds from sales of property, plant, equipment and intangible assets		1,812	30,446
Cash outflows from purchase of property, plant, equipment and intangible assets		(3,380,683)	(2,654,128)
Cash advances and loans made to other parties		(71,030)	(111,354)
Cash inflows from participation (profit) shares or other financial instruments		58,636	1,004,419
Cash outflows from participation (profit) shares or other financial instruments		(15,063)	(899,400)
C. Cash flows from / (used in) financing activities		640,132	(415,307)
Proceeds from borrowings	7	5,925,201	4,560,306
Repayments of borrowings	7	(2,834,355)	(2,908,962)
Dividends paid	19	(2,031,165)	(1,611,170)
Payments of lease liabilities	7	(8,401)	(34,987)
Interest received		752,696	429,215
Interest paid		(1,163,844)	(849,709)
D. Effect of monetary gain losses on cash and cash equivalents		(1,288,193)	(1,654,162)
Net increase/(decrease) in cash and cash equivalents before effect of exchange rate changes		(2,003,432)	632,814
E. Effect of exchange rate changes on cash and cash equivalents		281,441	495,807
Net increase/(decrease) in cash and cash equivalents		(1,721,991)	1,128,621
E. Cash and cash equivalents at the beginning of the period	4	4,878,895	3,750,274
Cash and cash equivalents at the end of the period	4	3,156,904	4,878,895

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘TRY’) as of 31 December 2024, unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Aksa Akrilik Kimya Sanayii A.Ş. (‘Aksa’ or the ‘Company’) was established on 21 November 1968 and registered in Turkey.

Aksa have the following main activities; manufacturing of textile, chemical and other industrial products and all kinds of raw materials, auxiliary materials and intermediate substances, artificial, synthetic and natural fibers, carbon fibers, filament and polymers, and any equipment, machinery or spare parts used in the production, processing or storage of these, importing exporting, establishment of domestic, foreign and international branches, marketing and trading, establishment and start-up and rental of energy generation plant, electricity generation and sale of generated electricity or capacity to customers rental of real estate.

Aksa is registered with the Capital Markets Board (‘CMB’) and its shares have been quoted in the Borsa İstanbul A.Ş. (‘BİST’) since 1986. As of 31 December 2024, the principal shareholders and their respective shareholding rates in the Company are as follows:

	%
Akkök Holding A.Ş. (‘Akkök Holding’)	39.59
Emniyet Ticaret ve Sanayi A.Ş.	23.96
Other (*)	36.45
Total	100.00

(*) As of 31 December 2024, 33.03% of the Aksa shares are traded on BIST.

Akkök Holding, which is the main shareholder of the Company, is controlled by Dinçkök family members. As of 31 December 2024, the number of employees employed by the Company is 1.418. (31 December 2023: 1.435).

The address of the registered office of the Company is as follows:

Merkez Mahallesi Ali Raif Dinçkök Cad. No:2

Main operations of the Company are in Turkey and for the purpose of segment reporting, the operations are summarized in three operational segments as (Note 3):

- Fibers
- Energy
- Other

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘TRY’) as of 31 December 2024, unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

The Company has the following subsidiary. Country, nature of operations and segmental information of this company is as follows (Note 3):

Joint ventures	Shareholding rate	Country	Nature of business
DowAksa Advanced Composites Holdings BV (‘DowAksa Holdings’)	50.00%	Netherlands	Investment

Financial non-current assets	Shareholding rate	Country	Nature of business
Akkök Next Yatırım Holding A.Ş. (‘Akkök Next’)	9.25%	Turkey	Investment

The company was established to invest in innovative initiatives in the growing deep technology market in Turkey and around the world, with funds to be established.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

2.1.1 Financial reporting standards applied

The financial statements of the Company have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial Reporting Standards ("IFRS") by the communiqués.

The financial statements are presented in accordance with ‘Announcement regarding with TAS Taxonomy’ which was published on 3 July 2024 by POA and the format and mandatory information recommended by CMB.

The Company maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (‘TCC’), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These financial statements have been prepared under historical cost conventions except for financial assets and liabilities which are carried at fair value and are based on the statutory records with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TFRS.

The financial statements have been prepared under historical cost conventions except for derivative instruments and financial investments which are carried at fair value and in the case of business combinations, revaluation resulting from the difference between the fair value and the carrying value of tangible and intangible assets.

Pursuant to the decision of the Capital Markets Board (SPK) dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

As of 31 December 2024, adjustments have been made for changes in the general purchasing power of the Turkish Lira in accordance with the requirements of TAS 29 ("Financial Reporting in Hyperinflationary Economies"). TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms. One of the requirements to apply TAS 29 is a three-year compound inflation rate approaching or exceeding 100%. The indexation process is performed by using the coefficient obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute ("TÜİK"). Since 1 January 2005, the indices and adjustment factors used in the restatement of the financial statements for the current and prior periods are as follows:

Year End	Index	Conversion Factor	Three - year Inflation Rate
31 December 2024	2,684.55	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 Company's adjustment process for financial reporting in hyperinflationary economies are as follows:

- » The financial statements of the current period in TL are expressed in terms of the purchasing power of the currency at the balance sheet date and the amounts of the previous reporting periods are restated in accordance with the purchasing power of the currency at the latest balance sheet date.
- » Monetary assets and liabilities are not restated as they are currently expressed in terms of the measuring unit current at the balance sheet date. Where the inflation-adjusted amounts 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, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.
- » All items in the statements of income and other comprehensive income, except cost of sales, depreciation expense and gain/loss on sale of assets, have been restated by applying the relevant monthly restatement factors. Cost of sales, depreciation expense and gain/loss on sale of assets have been recalculated based on the adjusted balance sheet items using the adjustment factors.
- » All items in the statement of cash flows are expressed in the unit of measurement in effect at the end of the reporting period.
- » The effect of inflation on the Company's net monetary asset position in the current period is recognized in the statement of income in the net monetary position loss account. (Note 25).

Comparative Figures

- » Figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the currency of the reporting period end. Information disclosed for prior periods is also expressed in the currency of the reporting period.
- » According to the board decision announced by the Capital Markets Board's announcement dated March 7, 2024, the revaluation and measurement gains (losses) should be reset to zero by transferring their values before the transition period to Inflation Accounting to the "Retained Years Profits or Losses" account, so the defined benefit value is 30,237 TL. The balance of remeasurement losses of plans is classified into the "Retained Earnings" account.

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

Functional and presentation currency

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in TRY, which is the functional currency of Aksa and the presentation currency of the Company.

Amendments in Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the financial statements as at 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and its interpretations effective as of 1 January 2024. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

a) Standards, amendments, and interpretations applicable as of 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 1, ‘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. The impact of this amendment on the Company's financial position and performance is being assessed.

IFRS 2, ‘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. The impact of this amendment on the Company's financial position and performance is being assessed.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

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

Amendments to TAS 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. The impact of this amendment on the Company's financial position and performance is being assessed.

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).

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.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

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.

2.1.2 Basis of Consolidation

a) Joint ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company and one or more other parties. The Company exercises such joint control through direct and indirect ownership interest held by itself and related shareholders majority of who declared their intention to exercise their voting power in favor of Company.

Joint ventures are accounted for using the equity method of accounting in accordance with TFRS 11 “Joint Arrangements” (Note 6).

Financial information of joint ventures is prepared in accordance with the Company’s accounting policies and principles.

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.2 Basis of Consolidation (Continued)

a) Joint ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company and one or more other parties. The Company exercises such joint control through direct and indirect ownership interest held by itself and related shareholders majority of who declared their intention to exercise their voting power in favor of Company.

Joint ventures are accounted for using the equity method of accounting in accordance with TFRS 11 “Joint Arrangements” (Note 6).

Financial information of joint ventures is prepared in accordance with the Company’s accounting policies and principles.

Joint venture’s operating results are included or excluded at the effective date of transaction dates of acquisition or disposal of the joint venture.

	The Company’s direct and indirect ownership interest (%)	
Subsidiary	31 December 2024	31 December 2023
DowAksa Holdings	50.00	50.00

b) Financial investments

For unquoted financial assets, the Company has recognized the amount corresponding to the participation rate in the financial statements as fair value.

	The Company’s direct and indirect ownership interest (%)	
Subsidiary	31 December 2024	31 December 2023
Akkök Next Yatırım Holding A.Ş. (“Akkök Next”)	9.25	9.25

2.2 Changes in Accounting Policies, Accounting Estimates and Errors

In case of changes and errors in accounting policies and accounting estimates, important changes made and significant accounting errors detected are applied retrospectively and the previous period financial statements are restated. If the changes in accounting estimates are for only one period, they are applied both in the current period when the change is made and both in the future when the change is made and in the future.

In order to enable the determination of the financial position and performance trends, the Company's current period financial statements are prepared comparatively with the previous period. The Company’s statement of financial position as at 31 December 2024 has been prepared comparatively with the statement of financial position as at 31 December 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 31 December 2024 have been prepared comparatively with the related financial statements for the year ended 31 December 2023. Comparative information for the previous reporting period is expressed in the purchasing power of 31 December 2024.

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Comparative Figures and the Restatement to the Financial Statements of the Prior Period

In accordance with the decision taken at the CMB's meeting dated June 7, 2013 and numbered 20/670, financial statement examples and user guide for capital market institutions within the scope of the Communiqué on the Principles of Financial Reporting in Capital Markets, effective for interim periods ending after March 31, 2014, have been published. In accordance with the aforementioned examples, various classifications can be made in the Company's financial statements.

In the event of changes in accounting policies and accounting estimates and errors, significant changes and significant accounting errors are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively. After the classification made for the presentation of the adjustments item regarding monetary loss and gain in the "Cash flow statement" for the year 31.12.2023; A classification of TL 3,128,408 was made between the item "Cash flows from operating activities" and the item "Effect of monetary loss and gain on cash and cash equivalents".

2.3 Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits and short-term investments with high liquidity, the amount of which can be easily converted into cash, with a minimal risk of change in value and with maturity of three months or less (Note 4).

Financial Assets

The Company classifies its financial assets in three classes of financial assets: at fair value through profit or loss, at amortized cost and at fair value through other comprehensive income. The classification is based on the business model used by the entity for the management of financial assets and the contractual cash flows of the financial asset. The Company classifies its financial assets at the time of the purchase.

“Financial assets measured at amortized cost” are non-derivative financial assets held by a business model that aims to collect contractual cash flows and that have cash flows that include interest payments on principal dates and principal balances on certain dates under contractual terms. The Company's financial assets that are accounted for at amortized cost include “cash and cash equivalents”, “trade receivables” and “other receivables”. The related assets, with their fair values in the initial recognition of financial statements; in subsequent accounts, it is measured at amortized cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the statement of profit or loss.

“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 statement of income. Financial assets measured at fair value through profit or loss include currency protected deposits and venture capital funds in the statement of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Trade receivables

Trade receivables are recognized at original invoice amount and carried at amortized 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 Company 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. The receivables determined not possible to be collected are written off (Note 8). The Company calculates rediscount on its receivables over short term receivables less than one year.

In addition, the Company uses the provisioning matrix by selecting the simplified application for the impairment calculations of the trade receivables accounted at amortized cost value in the financial statements. With this application, in cases where the trade receivables are not impaired due to certain reasons, the expected credit loss provision is measured by an amount equal to the expected credit losses. In the calculation of the expected credit losses, the Company's future estimates are taken into consideration along with past loan loss experiences.

Finance lease

As Lessor

Leasing is classified as a financial lease, where most of the risks and gains of the property belong to the tenant and the right to purchase at the end of maturity is given to the lessee. The asset subject to financial leasing is shown as a net receivable equal to the investment subject to this transaction. Interest income is determined by calculating the present value of the total value of the lease payments and the unsecured residual value by calculating the discount rate that equals the fair value of the economic asset subject to lease, and the part not accrued in the relevant period is monitored in the unearned interest income account.

Lease Liabilities

The Company measures the lease obligation based on the present value of the lease payments, which were not paid on the date the lease actually started.

The lease payments included in the measurement of the lease obligation at the date of the lease actually consist of the following payments to be made for the right of use of the underlying asset during the lease period and not paid at the date when the lease actually started:

- a. Fixed payments,
- b. Variable rental payments based on an index or rate, made using an index or rate at the date when the first measurement was actually started,
- c. Amounts expected to be paid by the Company within the scope of residual value commitments
- d. The price of use of this option if the Company is reasonably sure that it will use the purchase option and
- e. If the rental period indicates that the Company will use an option to terminate the lease, penalties for termination of the lease.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Variable lease payments that do not depend on an index or rate are recorded as expenses in the period when the event or condition that triggered the payment occurred.

In case the revised discount rate and the implicit interest rate in the lease can be easily determined for the remainder of the Company lease period, this rate is; If it cannot be determined easily, it determines the alternative borrowing interest rate on the date of the Company's re-evaluation.

The Company measures the lease obligation after the lease actually starts as follows:

- (a) Increases the carrying amount to reflect the interest on the lease obligation and
- (b) Reduces the carrying value to reflect the rent payments made.

In addition, if there is a change in lease duration, a change in substance of fixed lease payments or a change in the assessment of the option to purchase an underlying asset, the value of financial lease liabilities is re-measured.

Short-term leases and low-value leases

The Company applies its short-term lease registration exemption to short term machinery and equipment lease contracts (i.e. assets with a lease period of 12 months or less from the start date and without a purchase option). At the same time, it applies the exemption of accounting for low-value assets to office equipment, the rental value of which is considered to be low-value. Short term lease contracts and lease contracts of low value assets are recorded as expense according to the linear method during the lease period.

Right-of-use assets

The Company accounts for its right-of-use assets on the date the financial lease contract commences. The right-of-use assets are calculated by deducting the accumulated depreciation and impairment losses from the cost value. In case the financial leasing debts are revalued, this figure is corrected.

The cost of the right-of-use asset includes:

- (a) The first measurement of the lease obligation,
- (b) The amount obtained from all lease payments made before or before the lease actually started, by deducting all lease incentives received and
- (c) All initial costs incurred by the Company.

Unless the transfer of the ownership of the underlying asset to the Company is reasonably finalized at the end of the lease term, the Company depreciates its asset right to use until the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment assessment.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Trade payables

Trade payables have average maturities changing between 30 - 180 days and consist of the amounts invoiced or not invoiced related with the realized material or service purchases and are carried at amortized cost (Note 8).

Inventories

Inventories are valued at the lower of the net realizable value or cost value. The cost determination method is the monthly weighted average for all inventories, and work-in-process and finished goods take a share from the production costs. Net realizable value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Unusable inventories are removed from the records (Note 10).

Other inventory and spare parts

Other inventories and spare parts include all purchasing costs and other costs incurred in bringing spare parts to their current condition and location. The company evaluates its spare parts and materials according to the weighted average cost method and allocates a provision for impairment for spare parts and materials that are not used within the expected useful life and are not expected to be used in the near future.

Investment properties

Instead of being used in the production of goods and services or being sold for administrative purposes or during the normal course of business, the land and buildings held for the purpose of obtaining rent and/or capital gain or both are classified as investment properties and according to the cost method, the cost is minus accumulated depreciation values. (Note 11). The cost of an investment property bought consists of the purchase price and expenses that can be directly associated with this transaction. The average useful life of investment properties changes between ten (10) and fifty (50) years.

Property, plant and equipment

Property, plant and equipment are stated at 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 non-refundable taxes consist of charges to make the tangible asset available

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. As of

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

31 December 2024, the depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Period (Year)
Land improvements	2 - 50
Buildings	5 - 50
Machinery and equipment	3 - 40
Motor vehicles	4 - 8
Furniture and fixtures	2 - 20

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a company of financial assets is impaired. In the event of circumstances indicating that impairment has occurred in the tangible assets, 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 recording a provision. The recoverable value is considered either the net cash flow to be caused by the current use of the respective assets or the net sales price, whichever is higher.

Profit and loss resulting from the sale of fixed assets is determined as the difference between the amounts collected or to be collected and asset’s carrying value reflected in the relevant profit or loss account in the current period.

Repairs and maintenance are charged to the income statements 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.

Intangible assets

Intangible assets are recorded at their acquisition costs. Except for the expenses incurred for the development of new vehicles that are planned to be produced within the Company, intangible assets cannot be capitalized and expenditures incurred during the period they occur. Intangible assets are amortized using the straight-line method based on their estimated useful lives. The activated development expenses are amortized by the straight-line method in line with the estimated useful life of the product after the commencement of commercial production. Intangible assets; the values they carry are reviewed in case the changes in the conditions and the events show that the carried value may decrease, and the required provision is set (Note 14).

Payments made in relation the Company’s share of assets in Yalova Kompozit ve Kimya İhtisas Islah Organize Sanayi Bölgesi (“Yalkim OSB”) are recorded under intangible assets.

Useful lives of use rights are determined as 3 - 24 years excluding land use fees.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Research and development costs

Research expenses are recorded on the date they occur. Apart from the project expenditures with the below mentioned criteria, expenditures for development are recorded as expense in the period they occur. Costs of development projects that meet the criteria mentioned below are accepted as development costs within the scope of TAS 38 “Intangible Assets” standard, they are capitalized and amortized by the straight-line method in accordance with the project life (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-company,
- A potential market exists for the product or its usefulness in case of internal use is demonstrated, and
- Adequate technical, financial and other resources required for completion of the project are available.

Revenue recognition

In accordance with TFRS 15 “Revenue from Customer Contracts Standard”, which entered into force as of 1 January 2018, the Company records revenue in its financial statements in line with the following basic principles:

- Identification of contracts with customers
- Identification of performance obligations in contracts
- Determination of the transaction price in contracts
- Distribution of transaction fee to performance obligations
- Revenue recognition

Revenue related to performance obligations, such as goods or service transfer commitments, is recognized when customers are in control of the goods or services.

The Company recognizes a contract with its customer as revenue when all of the following conditions are met.

- a) ownership of the company's right to collect goods or services,
- b) the ownership of the legal property of the customer,
- c) transfer of possession of goods or services
- d) ownership of significant risks and rewards arising from ownership of the goods or services
- e) consider the terms of the customer's acceptance of the goods or service

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

The Company generate their major revenue from fiber and energy sales.

Income from sale of fibers

Revenue is recognized in the financial statements when the significant risks and rights of ownership of the goods or energy have transferred to the buyer. Revenue is calculated by deducting any discounts. Net sales are the invoiced value of the delivered goods less sales returns and discounts.

Income from sale of energy

The electricity sold is transmitted to the customer over transmission lines and the customer simultaneously consumes the benefit derived from the performance of the Company. Revenue from electricity sales is recognized at the time of delivery.

Interest income

Interest income is calculated on accrual basis by taking into consideration the effective interest rate and the effective interest rate within the remaining period to maturity.

If there is a significant financing element in revenue, the revenue value is determined by discounting the future collections with the interest rate included in the financing element. The difference is recognized in the related periods as other income from the operating activities on accrual basis (Note 23).

The Company has accrued discount premiums in line with the fibers customers’ purchase targets to be paid at the end of each quarter. In the current period, the Company has classified the discount premiums under “other discount” account in sales.

Cash flow hedge accounting

There is an effective cash flow protection relationship between the Company's foreign currency denominated long-term loans (non-derivative hedging instrument) and its likely future sales (hedged item).

In this context, the Company has defined its likely sales to be realized as "hedged item" within the scope of its policy of managing cash flows arising from exchange rate risk, by matching these sales with its long-term financial debts defined as "non-derivative hedging instrument" and started hedge accounting. In the context of this accounting, the discounted spot component of the long-term loans’ principal payments (proportionate to effectiveness) foreign exchange losses/gains, which are defined as hedging instruments in a calendar period in accordance with the foreseeable budgets, is to be booked under Reserve of gains or losses on hedge in the Other Comprehensive Income Statement until the related sales are realized. When the sales are realized, the related foreign exchange gain/loss accumulated in the reserve is accounted under "foreign exchange income/expenses" in the income statement.

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

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Bank borrowings

All bank loans are recorded over their fair values with reduced transaction costs. In the following periods, the effective interest rate method is valued at its discounted prices and the difference between the amount remaining after the transaction costs is deducted and the discounted cost value is reflected in the comprehensive income statement as financing cost during the loan period (Note 7). In case of need, the Company also performs early collection transactions in factoring practices against the cost of the receivable. This is an application parallel to the risk management practice in the form of recourse. Related amount is classified in financial liabilities and included in note explanations (Note 7).

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 capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. Without this context, the borrowing costs are expensed as occurred. Capitalized borrowing costs are presented as purchases of property, plant and equipment and intangibles in the statement of cash flow.

Fair (market) value is the amount for 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 fair values of the financial instruments are determined in accordance with the following methods and assumptions as follows:

Fair value of financial instruments

Financial assets

Monetary assets for which fair value approximates carrying value are carried at cost in the financial statements and consists of cash and cash equivalents, their interest accruals, and other financial assets; and considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. It is considered that the carrying values of the trade receivables after the rediscount and doubtful receivables provision are deducted are close to their fair values.

Financial liabilities

Monetary liabilities for which fair value approximates carrying value including accounts payable, short-term bank borrowings and other monetary liabilities are considered approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of bank borrowings. It is considered that the fair values of loans denote the value they carry, since the interest rates are updated by considering the changing market conditions. The fair values of the trade payables after deducting the provision for rediscount are considered to approximate the carrying value.

Employment termination benefits

The provision for employment termination benefits, as required by Turkish Labor Law represents the present value of the future probable obligation of the Company arising from the retirement of its employees based on the actuarial projections. 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.

In accordance with TAS 19 “Employee Benefits” effective before 1 January 2013, the actuarial gains/losses were recognised in the statement of income whereas the amendment, effective as of 1 January 2013, requires the actuarial gains/losses to be recognised under other comprehensive income. With this amendment, the Company accounted for its actuarial gains/losses under other comprehensive income in conformity with the translation provisions stated in TAS 19 “Employee Benefits”.

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

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Unused vacation rights

Liabilities arising from unused vacation rights are accrued in the periods in which they are entitled.

Current and deferred income 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.

Deferred income tax is determined, using the liability method and tax rates (and laws) that have been enacted by the balance sheet date. Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred taxes arising from income and expenses accounted under equity are recorded under equity, accordingly.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled (based on tax rates that have been enacted or substantively enacted at the balance sheet date). The carrying amount of deferred income tax assets is reviewed by the Company at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized (Note 26).

Earnings per share

Earnings per share disclosed in the income statement are determined by dividing net income by the weighted average number of shares that have been outstanding during the related period concerned (Note 27).

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

Events after the balance sheet date

The Company adjusts the amounts recognized 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 financial statements.

Provisions

Provisions are recognized when the Company 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 15).

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Contingent assets and liabilities

Probable 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 Company are not included in financial statements and are treated as contingent liabilities. A contingent asset is not recognized in the financial statements, but disclosed when an inflow of economic benefits is probable (Note 15).

Offsetting

The financial assets and liabilities are reported on the balance sheet at the net amount if they have the same right and nature and will be paid or collected in net.

Foreign currency transactions

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of income.

Goodwill

The cost of a business combination is allocated by recognizing the acquiree’s identifiable assets at the date of acquisition. Any excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, over the business combination cost is accounted for as goodwill.

The carrying value of goodwill is reviewed annually and presented after deducting cumulative impairment in the balance sheet. Goodwill is monitored at the cash generating business units. The cash generating unit is determined according to expected benefits from related business combination. Any impairment is not subsequently reversed. Gains/losses from the sale of business unit also include its carrying value of goodwill.

Segment reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The Board of Directors has been determined as the competent authority to make decisions regarding the activities of the Company.

For an operating segment to be identified as a reportable segment, its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments; the absolute amount of its reported profit or loss is 10 per cent or more of the combined profit or loss or its assets are 10 per cent or more of the combined assets of all operating segments. Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

For at the Company the reportable segments are industrial segments. Reportable segment, its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments; the absolute amount of its reported profit or loss is 10 per cent or more of the combined profit or loss or its assets are 10 per cent or more of the combined assets of all operating segments (Note 3).

The Company assesses the performance of the operating segments based on a measure of adjusted Earnings Before Interest, Tax, Depreciation and Amortization, “EBITDA”.

The Company’s reportable business segments are “fibers”, “energy” and the remained operations are reported as “other”. Yarn production facilities whose investment process is ongoing and their financial results are reported in the "other" section and DowAksa Holdings are reported under “fibers” segment (Note 6).

The support functions of industrial segments namely Financial Affairs, Human Resources and Management of Systems, Purchasing, Business Development, Head Office Expenses and other general administrative and operating expenses are classified under unallocated corporate expenses. Unallocated corporate expenses are followed at the Company level by management as the expenses are made to ensure the integrity of the Company by the management.

Derivative instruments

Derivative instruments are initially recognized at the acquisition cost reflecting the fair value on the date of the contract and are valued at their fair value in the following periods. The Company's derivative financial instruments mainly consist of forward foreign exchange contracts and interest rate swap transactions. While the derivative instruments provide effective protection against risks for the community economically, they are recognized as derivatives held for trading in financial statements where they do not meet the requirements for risk accounting and the fair value changes are reflected in the statement of profit or loss.

In addition, the Company's foreign currency purchase and sale transactions are accounted for as derivative financial instruments held for trading in financial statements due to the fact that they do not meet the requirements for risk accounting and the changes in the fair value of these derivative financial instruments are associated with the income statement.

If the fair value change of derivate financial instruments is positive or not, the change affected at assets or liabilities in the balance sheet (Note 18).

Related parties

Parties are considered related to the Company 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 Company that gives it significant influence over the Company.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

Has joint control over the Company;

- b) The party is an associate of the Company;
- c) The party is a joint venture in which the Company is a venture;
- d) The party is member of the key management personnel of the Company 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 Company, or of an entity that is a related party of the Company.

Related party transactions are transfer of resources 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 28).

Reporting of cash flow

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 Company operating activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Company (capital expenditure and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Company and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three (3) months and which are subject to an insignificant risk of changes in value (Note 4).

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government incentives that allow for the payment of discounted corporation tax within the scope of investment reduction exemption are evaluated within the scope of TAS 12 - “Income Tax” standard. The Company has used an incentive certificate within the scope of textile and chemical modernization in the current year. In this scope, the Company has benefited from reduced corporate tax, customs tax exemptions and VAT exemptions.

The preparation of financial statements requires 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. Estimates are regularly reviewed; necessary adjustments are made and reflected in the income statement of the period they occur. 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:

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

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Critical Accounting Judgments, Estimates and Assumptions

a) Provisions

As discussed in Note 2.3, provisions are recognized when the Company 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 15).

The Company makes various assumptions such as discount rate, inflation rate, real salary increase rate, and the possibility of leaving voluntarily in the calculation of severance pay liability. The effect arising from the changes in the current period in these assumptions has been recognized in the income statement in the current period. Assumptions used in calculating the liability are detailed in Note 16.

The doubtful receivables reflect the amounts that the Company management believes will cover the future losses of the receivables that exist as of the balance sheet date but which have the risk of not being collected within the framework of the current economic conditions. Regarding the receivables which have been the subject of the lawsuit, the Company management also evaluates the opinions of the legal counselors. While evaluating whether the receivables are impaired or not, the past performances of the borrowers other than the related institution and key customers, their credibility in the market and their performance from the balance sheet date to the approval date of the financial statements and the conditions under discussion are also taken into consideration. In addition, while determining the provision amount, besides the guarantees obtained as of the balance sheet date, collaterals acquired during the period until the approval date of the financial statements are also taken into consideration.

b) Useful lives of property, plants and equipment and intangibles

According to accounting policy, which is specified in Note 2.3, property, plant and equipment and intangibles are presented as net-off accumulated depreciation and impairment (if any) from acquisition cost. Depreciation is applied with using straight line method of depreciation based on useful lives of property, plant and equipment. Useful lives are estimated by the management to the best of their knowledge; and reviewed and revised if necessary at every balance sheet date.

c) Deferred tax assets and liabilities

Deferred tax assets and liabilities are recorded using tax rates that are largely used for temporary differences between the carrying values and bases of assets and liabilities. Based on the existing evidence, it has been evaluated that all or some of the deferred tax assets are likely to be converted into cash or not. Among the main factors considered, future income potential, losses accumulated from previous years, tax planning strategies to be implemented, if necessary, the assumption that all of the Company's expenditures within the scope of investment incentive documents will be accepted in the incentive certificate closing approval. Also, the income nature is included in the incentive certificate.

2.5 Convenience Translation into English of Condensed Financial Statements

The accounting principles described in Note 2.1 (defined as Turkish Financial Reporting Standards) to the interim condensed financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting, classification of some income statement items and also for certain disclosure requirements of the POA.

2.6 USD amounts presented in the financial statements

USD amounts shown in the statement of financial position prepared in accordance with the TFRS have been translated from TRY, as a matter of arithmetic computation only, at the official USD bid rate announced by the CBRT on 31 December 2024 of TRY 35.2803 = USD1 and USD amounts shown in the statements of profit or loss and other comprehensive income and cash flow have been translated from TRY, as a matter of arithmetic computation only, at the average USD bid rate calculated from the official daily bid rates announced by the CBRT for the period ended 31 December 2024 of TRY 32.7984 = USD1, and do not form part of these financial statements.

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING

Segmental information of the Company is as follows:

	1 January - 31 December 2024			
	Fibers	Energy	Other	Total
Total segment revenue	25,603,466	2,168,327	589,566	28,361,359
Revenue from external customers	25,603,466	2,168,327	589,566	28,361,359
Adjusted EBITDA ^(*)	4,751,837	301,877	71,189	5,124,903
Unallocated corporate expenses ^(**)	-	-	-	(641,361)
EBITDA	-	-	-	4,483,542
Amortization and depreciation	(1,191,890)	(180,191)	(373,291)	(1,745,372)
Other operating income, net	-	-	-	10,850
Income from investment activities	-	-	-	39,929
Share of profit/(loss) of investment accounted for using equity method	37,498	-	-	37,498
Financial income/(expenses), net	-	-	-	(1,366,192)
Monetary gain/(loss), net	-	-	-	479,761
Profit before tax				1,940,016

^(*) Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization

^(**) Unallocated corporate expenses consists of unallocated parts of general administrative expenses

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

	1 January - 31 December 2024				
	Fibers	Energy	Other	Undistributed	Total
Purchase of property, plant and equipment and intangibles	2,057,908	160,168	1,127,410	35,197	3,380,683
	31 December 2024				
	Fibers	Energy	Other	Undistributed	Total
Total segment assets	17,968,360	4,964,552	3,279,678	-	26,212,590
Investments accounted for using equity method	2,110,644	-	-	-	2,110,644
Unallocated corporate assets	-	-	-	7,309,614	7,309,614
Total assets	20,079,004	4,964,552	3,279,678	7,309,614	35,632,848
Total segment liabilities	4,862,270	145,267	9,510	-	5,017,047
Unallocated corporate liabilities	-	-	-	6,738,916	6,738,916
Total liabilities	4,862,270	145,267	9,510	6,738,816	11,755,963

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

1 January - 31 December 2023				
	Fibers	Energy	Other	Total
Total segment revenue	30,989,644	3,004,932	558,993	34,553,569
Revenue from external customers	30,989,644	3,004,932	558,993	34,553,569
Adjusted EBITDA	5,928,690	438,344	61,371	6,428,405
Unallocated corporate expenses (*)	-	-	-	(583,433)
EBITDA	-	-	-	5,844,972
Amortization and depreciation	(1,199,034)	(130,790)	(319,930)	(1,649,754)
Other operating income, net	-	-	-	(413,479)
Income from investment activities	-	-	-	168,717
Share of profit/(loss) of investment accounted for using equity method	150,164	-	-	150,164
Financial income/(expenses), net	-	-	-	(1,500,022)
Monetary gain / (loss), net	-	-	-	742,090
Profit before tax				3,342,688

(*) Undistributed corporate expenses consist of the portion of general administrative expenses

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(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

1 January - 31 December 2023					
	Fibers	Energy	Other	Undistributed	Total
Purchase of property, plant and equipment and intangibles	1,819,935	504,093	254,177	75,923	2,654,128
31 December 2023					
	Fibers	Energy	Other	Undistributed	Total
Total segment assets	17,927,174	5,164,704	1,995,696	-	25,087,574
Investments accounted for using equity method	2,504,227	-	-	-	2,504,227
Unallocated corporate assets	-	-	-	8,505,329	8,505,329
Total assets	20,431,401	5,164,704	1,995,696	8,505,329	36,097,130
Total segment liabilities	8,809,118	305,264	-	-	9,114,382
Unallocated corporate liabilities	-	-	-	2,821,649	2,821,649
Total liabilities	8,809,118	305,264	-	2,821,649	11,936,031

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

Segment Assets

Reconciliation between the reportable segment assets and total assets is as follows:

	31 December 2024	31 December 2023
Reportable segment assets	28,323,234	27,591,801
Cash and cash equivalents	3,162,396	4,890,151
Property, plants and equipment and intangibles	3,099,672	2,864,778
Other assets	793,057	653,952
Current income tax assets	122,870	-
Derivative financial assets	113,499	8,179
Financial investments	18,120	88,269
Total assets	35,632,848	36,097,130

Segment Liabilities

Reconciliation between the reportable segment liabilities and total liabilities is as follows:

	31 Aralık 2024	31 Aralık 2023
Reportable segment liabilities	5,017,047	9,114,382
Borrowings	5,863,483	2,331,857
Deferred tax liability	779,200	79,735
Provision for employee benefits	52,296	234,350
Liabilities for employee benefits	41,665	55,869
Other payables	1,174	2,030
Lease liabilities	978	4,015
Other short-term provisions	120	173
Current income tax liability	-	113,620
Total liabilities	11,755,963	11,936,031

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents of the Company are as follows:

	31 December 2024	31 December 2023
Cash	897	1,230
Bank		
Demand deposit (TRY)	20,970	3,433
Foreign currency demand deposit	1,213	4,386
Time deposits (TRY)	1,917,508	1,139,860
Foreign currency time deposit	1,221,808	3,741,242
Total	3,162,396	4,890,151

As of 31 December 2024, the maturity of time deposits are less than three months and weighted average effective interest rates on TRY denominated time deposits are 46,76% (31 December 2023: 42.79%), 1,75% for USD denominated time deposits (31 December 2023: 3.30%) and 1.86% for EUR denominated time deposits (31 December 2023: EUR 1.79%) respectively.

The cash and cash equivalents included in the cash flow statement by years are as follows:

	31 December 2024	31 December 2023	31 December 2022
Cash and cash equivalents	3,162,396	4,890,151	3,752,863
Less: Interest accrual	(5,492)	(11,256)	(2,589)
Cash and cash equivalents, net	3,156,904	4,878,895	3,750,274

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(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

NOTE 5 - FİNANCIAL INVESTMENTS

	31 December 2024	31 December 2023
Currency protected deposits	-	49,402
Time deposit	-	34,453
Financial investments - current assets	-	83,855
Shareholding participation shares ^(*)	13,136	476
Investment funds ^(**)	4,984	3,938
Financial investments - non-current assets	18,120	4,414

^(*) 9.25% shares of the enterprise established under the leadership of Akkök Holding are owned.

^(**) Investment funds are accounted at fair value whether they are financial investments with a maturity of one.

NOTE 6 - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Joint Ventures	31 December 2024	31 December 2023
DowAksa Holdings	2,110,644	2,504,227

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

NOTE 6 - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Continued)

Summarized financial information of DowAksa Holding is presented below:

	31 December 2024	31 December 2023
Current assets	3,279,621	4,365,943
Non-current assets	10,617,218	12,935,215
Total Assets	13,896,839	17,301,158
Short-term liabilities	5,984,668	6,415,286
Long-term liabilities	3,690,883	5,877,418
Equity	4,221,288	5,008,454
Total Liabilities	13,896,839	17,301,158
Equity corresponding to Company’s shares of 50%	2,110,644	2,504,227

	2024	2023
Revenue	5,642,129	6,487,061
Net profit	74,996	300,328
Net profit/(loss) corresponding to Company’s shares of 50%	37,498	150,164

Movement of joint ventures accounted for using equity method as follows:

	2024	2023
1 January	2,504,227	2,379,801
Net profit corresponding to Company’s shares of 50%	37,498	150,164
Currency translation differences	(420,552)	(73,477)
Gains on remeasurements of defined benefit plans	(10,529)	47,739
31 December	2,110,644	2,504,227

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NOTES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

NOTE 7 - BORROWINGS

Company’s financial liabilities are as follows:

	31 December 2024	31 December 2023
Short-term bank borrowings	4,999,744	2,331,857
Short-term portion of long-term bank borrowings	518,980	1,095,963
Lease liabilities	26,818	35,896
Total short-term borrowings	5,545,542	3,463,716
Long-term bank borrowings	863,739	1,650,606
Lease liabilities	29,367	81,317
Total long-term borrowings	893,106	1,731,923
Total borrowings	6,438,648	5,195,639

	31 December 2024		31 December 2023	
	Annual weighted average effective interest rate (%)	TRY	Annual weighted average effective interest rate (%)	TRY
a) Short-term bank borrowings:				
USD borrowings	6.08	1,286,069	9.78	1,427,698
EUR borrowings	8.22	1,126,591	-	-
Short-term borrowings to not related parties		2,412,660		1,427,698
TRY borrowings	26.93	3,070,000	25.65	1,162,249
Prepaid interest		(482,916)		(258,090)
Short-term borrowings to related parties (Note 28)		2,587,084		904,159
Total short-term borrowings		4,999,744		2,331,857

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (‘TRY’) based on the purchasing power of the Turkish Lira (‘‘TRY’’) as of 31 December 2024, unless otherwise indicated.)

NOTE 7 - BORROWINGS (Continued)

	31 December 2024		31 December 2023	
	Annual weighted average effective interest rate (%)	TRY	Annual weighted average effective interest rate (%)	TRY
b) Short-term portion of long-term bank borrowings:				
EUR borrowings	7.06	348,590	7.37	686,829
USD borrowings	8.32	170,390	8.76	409,134
Lease liabilities		26,818		35,896
Total short-term portion of long-term bank borrowings		545,798		1,131,859
Total short-term borrowings		5,545,542		3,463,716
c) Long-term bank borrowings:				
EUR borrowings	5.32	422,735	8.71	1,447,521
USD borrowings	6.78	441,004	8.76	203,085
Lease liabilities		29,367		81,317
Total long-term borrowings		893,106		1,731,923

As of 31 December 2024, and 2023, there is no violation of the Company's long-term foreign currency borrowings.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - BORROWINGS (Continued)

The long-term bank borrowings’ fair values and book values are as follows:

	31 December 2024		31 December 2023	
	Fair Value	Book Value	Fair Value	Book Value
USD borrowings	435,354	441,004	199,160	203,085
EUR borrowings	428,169	422,735	1,481,108	1,447,521

According to the contractual terms, the maturity distribution of the financial borrowings of the Company are as follows:

	31 December 2024	31 December 2023
Less than 3 months	322,981	591,142
Between 3-12 months	5,222,561	2,872,574
Between 1-2 years	871,083	1,614,188
3 years and longer	22,023	117,735
	6,438,648	5,195,639

Movement of borrowing for the years 2024 and 2023 as follows;

	2024	2023
1 January	5,195,639	5,773,119
Additions	5,925,201	4,560,306
Principal payments	(2,842,756)	(2,943,949)
Change in lease liabilities	(5,236)	25,602
Change in interest accrual	(221,692)	(224,832)
Currency translation differences	220,773	1,103,513
Monetary gain	(1,833,281)	(3,098,120)
31 December	6,438,648	5,195,639

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FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 7 - BORROWINGS (Continued)

Movement of lease liabilities for the years 2024 and 2023 as follows;

31 December 2024	Site Rents	Buildings	Vehicles	Total
Balance at 1 January 2024	37,535	-	79,678	117,213
Effect of changes to lease conditions	(5,236)	-	-	(5,236)
Interest expenses	6,836	-	703	7,539
Payments	(6,875)	-	(9,065)	(15,940)
Movements of foreign currency differences	-	-	(13,934)	(13,934)
Monetary gain/(loss), net	(10,157)	-	(23,300)	(33,457)
Balance at 31 December 2024	22,103	-	34,082	56,185

31 December 2023	Site Rents	Buildings	Vehicles	Total
Balance at 1 January 2023	35,378	3,436	118,525	157,339
Additions	-	-	752	752
Effect of changes to lease conditions	24,850	-	-	24,850
Interest expenses	12,990	591	1,925	15,506
Payments	(13,024)	(3,313)	(34,154)	(50,491)
Movements of foreign currency differences	-	-	31,908	31,908
Monetary gain/(loss), net	(22,659)	(714)	(39,278)	(62,651)
Balance at 31 December 2023	37,535	-	79,678	117,213

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(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Details of trade receivables and payables of the Company are as follows:

a) Short-term trade receivables:

	31 December 2024	31 December 2023
Trade receivables	1,390,391	952,620
Notes receivable and cheques	351,873	255,530
Less: Provision for doubtful receivables	(189,772)	(34,709)
Less: Unearned finance income on credit sales	(14,035)	(6,901)
Total short-term trade receivables, net	1,538,457	1,166,540

b) Long-term trade receivables:

Long-term trade receivables	-	48,409
Notes receivables and cheques	-	307,931
Less: Provision for doubtful receivables	-	(45,972)
Less: Unearned finance income on credit sales	-	(180,625)
Total long-term trade receivables, net	-	129,743

As of 31 December 2024, trade receivables which are denominated in TRY and foreign currency have an average maturity of (80) days (31 December 2023: 60 days) and they are discounted with an average annual interest rate of 6% (31 December 2023: 8%).

The movements of the provision for doubtful trade receivables during the periods ending on 31 December 2024 and 2023 are as follows:

	2024	2023
1 January	215,334	339,803
Provisions collected during the period	-	(3,537)
Provisions during the period (Not 22)	53,030	144,750
Uncollectable receivable	-	(116,403)
Monetary (gain)/ loss, net	(78,592)	(149,279)
31 December	189,772	215,334

Explanations about the nature and level of risks in trade receivables are provided in Note 29 Credit Risk section.

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FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

c) Short-term trade payables:

	31 December 2024	31 December 2023
Suppliers	3,377,956	5,167,904
Less: Unaccrued finance costs on credit purchases (-)	(24,856)	(33,654)
Total	3,353,100	5,134,250

As of 31 December 2024, trade payables which are denominated in TRY and foreign currency have an average maturity of (3) months (31 December 2023: 3 months) and they are discounted with an average annual interest rate of 7.7% (31 December 2023: 7.5%) in USD.

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

Details of other receivables and payables of the Company are as follows:

a) Short-term other receivables:

	31 December 2024	31 December 2023
Deposits and guarantees given	847	787
Total	847	787

b) Short-term other payables:

	31 December 2024	31 December 2023
Taxes and funds payable	1,174	2,030
Total	1,174	2,030

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(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 10 - INVENTORIES

	31 December 2024	31 December 2023
Raw materials and supplies	1,382,043	1,478,379
Work in progress	161,986	202,904
Finished goods	1,335,818	1,316,105
Goods in transit	1,229,734	1,611,984
Other inventories and spare parts	459,953	428,512
Less: Provision for impairment of inventories	(67,820)	(59,383)
Total	4,501,714	4,978,501

Provision for inventory impairment is related to raw materials, spare parts and finished goods.

As of 31 December 2024, and 2023, the Company has included movements in the amount of impairment in inventory to cost of goods sold. (Due the increase in the costs of the inventories, inventory impairment resulted with decrease).

As of 31 December 2024, and 2023, the Company has insurance on all of its inventories.

As of current period, the cost of raw material and goods are shown in Note 21.

The movements of the provision for impairment of inventories for the periods ending on 31 December 2024 and 2023 are as follows:

	2024	2023
1 January	59,383	84,996
Provisions (cancelled/reversed) during the period	8,437	(25,613)
31 December	67,820	59,383

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(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 11 - INVESTMENT PROPERTIES

	1 January 2024	Additions	Disposals	Transfers	31 December 2024
Cost					
Independent units	66,110	-	-	-	66,110
Land and buildings	-	567,231	-	-	567,231
	66,110	567,231	-	-	633,341

Accumulated depreciation					
Independent units	50,608	1,224	-	-	51,832
Land and buildings	-	4,727	-	-	4,727
	50,608	5,951	-	-	56,559
Net book value	15,502				576,782

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Cost					
Independent units	66,110	-	-	-	66,110
	66,110	-	-	-	66,110

Accumulated depreciation					
Independent units	49,241	1,367	-	-	50,608
	49,241	1,367	-	-	50,608
Net book value	16,869				15,502

Current year depreciation expense of investment properties is classified under general administrative expenses.

Independent Units

Comprise of offices of the Company located at Gümüşsuyu. According to the valuation report dated 31 December 2024, the fair value of the units is TRY154,500 (31 December 2023: TRY168.909) and it provides rent income amounting to TRY118 (31 December 2023: TRY315) per month.

Land and Buildings

It consists of the industrial facility and land numbered 151 island 14 parcel in Yalova Province, Çiftlikköy District, Denizçalı Village, which the Company purchased from Akkim Kimya Sanayi ve Ticaret A.Ş. According to the expert report prepared in July 2024, which is the purchase period, it has a current value of 569,871 TL and a monthly rental income of 2,515 TL is obtained.

As of 31 December 2024, rent income from investment properties has been disclosed as income from investment activities and is amounting to TRY29,971 (31 December 2023: TRY14,436).

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 12 - RIGHT-OF-USE ASSETS

As of 31 December 2024, and 2023, the movement of right-of-use assets are as follows:

31 December 2024	Site Rent	Buildings	Vehicles	Total
Cost				
Balance at 1 January 2024	114,190	-	179,870	294,060
Rental condition changes	(5,236)	-	-	(5,236)
	108,954	-	179,870	288,824
Accumulated Depreciation				
Balance at 1 January 2024	(10,801)	-	(108,478)	(119,279)
Charge for the period	(2,861)	-	(33,602)	(36,463)
	(13,662)	-	(142,080)	(155,742)
Net book value	95,292	-	37,790	133,082
31 December 2023	Site Rent	Buildings	Vehicles	Total
Cost				
Balance at 1 January 2023	89,340	5,380		201,572296,292
Additions	-	-		752752
Rental condition changes	24,850	-	-	24,850
Outputs	-	(5,380)	(22,454)	(27,834)
	114,190	-	179,870	294,060
Accumulated Depreciation				
Balance at 1 January 2023	(7,820)	(1,116)	(96,638)	(105,574)
Charge for the period	(2,981)	(947)	(34,293)	(38,221)
Outputs	-	2,063	22,453	24,516
	(10,801)	-	(108,478)	(119,279)
Net book value	103,389	-	71,392	174,781

All current depreciation expenses are included in the cost of goods sold (December 31, 2023: 37,273 TL cost of goods sold, 924 TL general administrative expense, 24 TL marketing, sales and distribution expense).

Aksa Akrilik Kimya Sanayii A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Disposals	Transfers (*)	31 December 2024
Cost					
Land	1,586,645	78,129	-	-	1,664,774
Land improvements	2,151,788	4,587	-	61,966	2,218,341
Buildings	5,188,759	3,050	-	1,118,163	6,309,972
Machinery and equipment	30,043,153	4,876	(5,068)	1,482,741	31,525,702
Motor vehicles	16,544	328	-	-	16,872
Furniture and fixture	1,431,347	24,160	(826)	37,235	1,491,916
Construction in progress	1,331,366	2,585,520	-	(2,704,692)	1,212,194
	41,749,602	2,700,650	(5,894)	(4,587)	44,439,771
Accumulated depreciation					
Land improvements	1,302,803	87,057	-	-	1,389,860
Buildings	1,827,271	128,743	-	-	1,956,014
Machinery and equipment	19,794,721	1,386,243	(5,068)	-	21,175,896
Motor vehicles	11,072	596	-	-	11,668
Furniture and fixture	911,166	64,823	(750)	-	975,239
	23,847,033	1,667,462	(5,818)	-	25,508,677
Net book value	17,902,569				18,931,094

(*) Transfers with a net book value of TRY4,587 is related to capitalized intangible assets.

The investments being made as of 31 December 2024 mainly result from the investments in power plant, press and cutting unit modernization investments and the investments in progress of the auxiliary enterprises.

Depreciation expense for the current period amounting to TRY1,595,930 are recognized in cost of goods sold, TRY2,319 are recognized in research and development expenses, TRY34,612 are recognized in general administrative expenses, TRY896 are recognized in marketing expenses, TRY6,462 are recognized in ongoing investments and TRY27,243 are recognized in inventories.

As of 31 December 2024, there is no collateral, pledge and mortgage on property, plant and equipment. At the date of reporting, Company’s property, plants and equipment is insured for USD710 million.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2023	Additions	Disposals	Transfers (*)	31 December 2023
Cost					
Land	1,569,026	21,832	(4,213)	-	1,586,645
Land improvements	1,975,498	2,519	-	173,771	2,151,788
Buildings	4,859,585	17,376	-	311,798	5,188,759
Machinery and equipment	28,950,419	35,176	(40,516)	1,098,074	30,043,153
Motor vehicles	16,395	149	-	-	16,544
Furniture and fixture	1,398,082	21,421	(1,450)	13,294	1,431,347
Construction in progress	432,785	2,496,089	-	(1,597,508)	1,331,366
	39,201,790	2,594,562	(46,179)	(571)	41,749,602
Accumulated depreciation					
Land improvements	1,220,343	82,460	-	-	1,302,803
Buildings	1,712,988	114,283	-	-	1,827,271
Machinery and equipment	18,516,056	1,307,870	(29,205)	-	19,794,721
Motor vehicles	10,305	767	-	-	11,072
Furniture and fixture	847,540	64,862	(1,236)	-	911,166
	22,307,232	1,570,242	(30,441)	-	23,847,033
Net book value	16,894,558				17,902,569

(*) Transfers with a net book value of TRY571 is related to capitalized intangible assets.

Depreciation expense for the current period amounting to TRY1,497,944 are recognized in cost of goods sold, TRY2,743 are recognized in research and development expenses, TRY35,137 are recognized in general administrative expenses, TRY866 are recognized in marketing expenses, TRY5,889 are recognized in ongoing investments and TRY27,663 are recognized in inventories.

As of 31 December 2023 there is no collateral, pledge and mortgage on property, plant and equipment. At the date of reporting, Company’s property, plants and equipment is insured for USD710 million.

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FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 14 - INTANGIBLE ASSETS

	1 January 2024	Additions	Disposals	Transfers (*)	Currency translation differences	31 December 2024
Cost						
Rights	692,055	2,203	-	-	-	694,258
Development cost	572,248	117,061	-	-	-	689,309
Other intangible assets	123,926	-	-	4,587	-	128,513
	1,388,229	119,264	-	4,587	-	1,512,080
Accumulated depreciation						
Rights	198,277	34,183	-	-	-	232,460
Development cost	256,378	28,012	-	-	-	284,390
Other intangible assets	111,386	7,006	-	-	-	118,392
	566,041	69,201	-	-	-	635,242
Net book value	822,188					876,838

	1 January 2023	Additions	Disposals	Transfers (*)	Currency translation differences	31 December 2023
Cost						
Rights	666,753	25,302	-	-	-	692,055
Development cost	532,423	39,825	-	-	-	572,248
Other intangible assets	123,024	331	-	571	-	123,926
	1,322,200	65,458	-	571	-	1,388,229
Accumulated depreciation						
Rights	167,898	30,379	-	-	-	198,277
Development cost	220,051	36,327	-	-	-	256,378
Other intangible assets	104,616	6,770	-	-	-	111,386
	492,565	73,476	-	-	-	566,041
Net book value	829,635					822,188

(*) Transfers amounting to TRY4,587 are related to property plant and equipment (2023: TRY571).

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FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 14 - INTANGIBLE ASSETS (Continued)

Amortization expenses for the period ended 31 December 2023 amounting to TRY33,753 (2023: TRY32,176) are recognized in cost of goods sold, TRY28,013 (2023: TRY 36,329) are recognized in research and development expenses, TRY7,242 (2023: TRY4,783) are recognized in general administrative expenses, TRY193 (2023: TRY188) are recognized in marketing expenses.

Goodwill

As of 31 December 2024, the goodwill balance with the carrying amount of TRY 115,388 (2023: TRY115,388) resulted from the acquisition of 50% shares of Ak-Tops Tekstil Sanayi A.Ş. during 2007.

There is no impairment in the goodwill's book value.

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions:

	31 December 2024	31 December 2023
Provision for litigation	120	173

Contingent assets and liabilities are as follows:

a) The details of commitments, guarantees, pledges and mortgages given to third parties by the Company are as follows:

	31 December 2024	31 December 2023
Letters of guarantees given	1,837,029	3,007,378
Letters of credit commitments	1,727,397	2,744,421
Total	3,564,426	5,751,799

Letters of guarantees given are mainly consist of raw material purchases.

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FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Guarantee letters received for trade receivables are as follows:

	31 December 2024	31 December 2023
Credit insurance limits	5,679,978	4,234,247
Collateral checks and notes received	266,479	91,722
Limits of direct debiting system (“DDS”)	111,455	102,861
Guarantee letters received	102,982	68,051
Mortgages received	66,374	580,946
Confirmed and unconfirmed letter of credit	-	46,822
Share pledges	-	166,549
Total	6,227,268	5,291,198

c) Collaterals, Pledges and Mortgages given by the Company (“CPM”):

	31 December 2024	31 December 2023
A. CPM given on behalf of the Company’s legal personality	3,564,426	5,751,799
-USD	3,072,010	4,854,294
-EUR	371,115	716,413
-TRY	92,405	153,856
-Other	28,896	27,236
B. CPM given on behalf of fully consolidated subsidiaries	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-
-USD	-	-
D. Total amount of other CPM given	-	-
i) Total amount of CPM given on behalf of the parent company	-	-
ii) Total amount of CPM given to on behalf of other company companies which are not in scope of B and C	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
Total	3,564,426	5,751,799

As of 31 December 2024, the ratio of other CPMs’ given by the Company (D) to equity is zero percent (31 December 2023: zero).

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 16 - EMPLOYEE BENEFIT OBLIGATIONS

Payables for employee benefit obligations	31 December 2024	31 December 2023
Social security premiums payable	41,665	55,869
Total	41,665	55,869

Current provisions for employee benefits	31 December 2024	31 December 2023
Provision for performance premium	108,000	202,131
Provision for unused vacation rights	12,632	10,135
Total	120,632	212,266

Non-current provisions for employee benefits	31 December 2024	31 December 2023
Provision for employment termination benefits and seniority incentive	153,109	171,500

Provision for employment termination benefits

Employment termination benefit provision is recorded according to the following descriptions.

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and left from the Company or retired, completed 25 service years (20 for women) and who reaches the retirement age (58 for women and 60 for men), whose employment is terminated without due cause, is called up for military service or passed away. Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The liability for employment termination benefits is not legally subjected to any funding and there is no condition for funding.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees.

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NOTE 16 - EMPLOYEE BENEFIT OBLIGATIONS (Continued)

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:

	31 December 2024	31 December 2023
Discount rate (%)	4.04	3.65
Probability of retirement (%)	97.45	97.86

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 TRY46,655 effective from 1 January 2025 (1 January 2024: TRY46,655) has been taken into consideration in calculating the reserve for employment termination benefit of the Company.

Movements in the provision for employment termination benefits and seniority incentive are as follows:

	2024	2023
1 January	171,500	563,669
Service cost	10,572	1,525
Interest cost	50,424	29,785
Payments	(37,401)	(235,713)
Actuarial gain	(39,303)	(157,335)
Monetary (gain)/loss, net	(2,683)	(30,431)
31 December	153,109	171,500

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NOTE 17 - OTHER ASSETS AND LIABILITIES

a) Other current assets:

	31 December 2024	31 December 2023
VAT carried forward and receivables from the tax office	731,645	653,952
Total	731,645	653,952

b) Short-term prepayments:

	31 December 2024	31 December 2023
Prepaid expenses	81,268	71,833
Advances given	19,273	37,532
Total	100,541	109,365

c) Long-term prepayments:

	31 December 2024	31 December 2023
Advances given for purchase of property, plant and equipment	261,742	303,873
Prepaid expenses	4,529	13,808
Total	266,271	317,681

d) Deferred income:

	31 December 2024	31 December 2023
Deferred revenue	496,525	338,668
Order advances received	52,208	169,978
Total	548,733	508,646

e) Other long-term liabilities:

	31 December 2024	31 December 2023
Deposits and guarantees received	3,766	4,814
Total	3,766	4,814

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NOTE 18 - DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2024		31 December 2023	
	Asset	Liability	Asset	Liability
Held for trading	113,499	-	8,179	-

Derivative financial instruments are initially recognized at their acquisition cost and re-measured at their fair value in the following periods and the Company implement this policy. The derivative financial instruments of the Company mainly consist of cross currency forward swaps and interest rate swap instruments.

At the date of the derivative contract, the Company determines that there are transactions that provide hedging against changes in cash flows arising from a certain risk and that may affect profit/loss (cash flow hedges) for a registered asset or liability or transactions that may be associated with a certain risk and are likely to occur.

These derivative financial instruments are recognized as derivative financial instruments for hedging purposes in the financial statements, since they provide effective protection against risks for the Company and meet the necessary conditions in terms of risk accounting.

If the hedging instrument fails to meet the terms of the hedge accounting, selling, expiring, or if one of the promised or probable future transactions is not expected to occur, the contractual or probable future transaction will be the hedging instrument continues to be classified separately under equity. When the committed or probable future transaction is realized or predicted future transaction will not to be happen, it is recognized in profit or loss and the accumulated gains or losses related to the transaction are reflected to the financial statements as profit or loss.

As of 31 December 2024, there is no fixed interest rates (31 December 2023: None). The Company’s main floating interest rates are EURIBOR and SOFR.

Derivative financial instruments held for trading:

The Company is able to make option contracts regarding to foreign exchange trading transactions in accordance with its risk policies. The mentioned option transactions are accounted as derivative financial instruments held for trading in the financial statements, as they do not qualify for hedge accounting and changes in fair value of these financial instruments are recognized in the statement of income.

	31 December 2024		31 December 2023	
	Contract amount (thousand)	Fair value Asset amount TRY	Contract amount (thousand)	Fair value Assets amount TRY
Foreign exchange transactions				
- USD	27,570	83,063	1,000	8,179
- EUR	7,970	30,436	-	-

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NOTE 19 - EQUITY

Aksa has adopted the registered share capital system applicable to companies registered on the Capital Markets Board and set a limit on its registered share capital representing type of registered shares with a nominal value of Kr 1. As of 31 December 2024, and 2023, the historical, authorized and issued capital of Aksa is presented below:

	31 December 2024	31 December 2023
Limit on registered share capital	6,500,000	650,000
Paid-in capital (*)	3,885,000	323,750

(*) The issued capital of the Company was increased from 323,750 TL to 3,885,000 TL free of charge, entirely covered by internal resources, and was registered by the Yalova Trade Registry Office on 1 August 2024.

The Company’s shareholders and their respective shareholding structure as follows:

	Share (%)	31 December 2024	Share (%)	31 December 2023
Akkök Holding	39.59	1,537,987	39.59	128,166
Emniyet Ticaret ve Sanayi A.Ş.	23.96	930,663	22.42	72,577
Other	36.45	1,416,350	37.99	123,007
	100.00	3,885,000	100.00	323,750

The Company has 388,500,000,000 shares (31 December 2023: 1 piece) with a nominal value of 1 Kr (31 December 2023: 32,375,000,000 Kr). All shareholders have same rights and there are not issued different type of shares such as privilege. The capital adjustment represents the difference between the adjustment effect of cash and cash equivalent contributions to capital before inflation adjustment and the adjustment amounts.”

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”), The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital. According to the TCC, the legal reserve does not exceed half of the capital or issued capital can be used only to offset losses, to continue the business when things did not go well or to get ahead of unemployment and to take favorable measures to manage its results

In accordance with TAS, the Company has to classify the above-mentioned amounts under “Restricted reserves”, the amount of restricted reserves is TRY3,177,326 as of 31 December 2024 (31 December 2023: TRY2,976,241). This amount fully consists of legal reserves.

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FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 19 - EQUITY (Continued)

The historical values and inflation adjustment effects of the following accounts under the Company's equity are as follows as of December 31, 2024, in accordance with the financial statements prepared in accordance with TFRS and the tax procedure law (“TPL”):

	Historical Value	Indexed Value IAS	Indexed Value IFRS
Capital	3,885,000	9,355,360	8,859,325
Restricted reserves	517,948	3,457,389	3,177,326

"Paid in Capital", "Restricted Reserves" and "Share Premiums" shall be disclosed by their statutory amounts in accordance with the Communiqué on the Principles of Financial Reporting in Capital Markets (numbered II-14.1) and CMB announcements. During the implementation of the relevant communiqué, differences in valuations (such as differences arising from inflation adjustment):

- The difference arising from the “Paid-in Capital” and if has not been transferred to capital yet, shall be classified under the “Adjustments to Share Capital”, following the “Paid-in capital”;
- The difference due to the inflation adjustment of “Restricted Reserves” and “Share Premium” and the amount has not been utilized in dividend distribution or capital increase yet, shall be classified under “Retained Earnings”. Other equity totals are being demonstrated as they are valued according to CMB’s and TAS’s statements.

Capital adjustment differences have no use other than complementing the capital.

Dividend distribution

Regarding the dividend distribution, the entities have to distribute their profits under the scope of CMB Communiqué Serial: II-19.1, their articles of association and their previously publicly declared profit distribution policies.

Besides that, to prepare and publicly announce the amount of net distributable profit is regulated for Companies which are obligated to prepare financial statements under CMB policies in accordance with CMB Communiqué No. II -14.1. It is also regulated that the Companies are required to calculate the net profit for the period with considering the financial statements as long as the net profit can be provided from legal sources.

In the case of making decision on dividend payment, dividend is paid in cash or is distributed as “bonus shares” to shareholders by adding dividend to capital or distributed cash and bonus shares in certain amounts according to the decision that is taken by the general assembly of the company.

At the Ordinary General Assembly dated 28 March 2024, the Company has decided to set aside Legal Reserves amounting to TRY201,085 from the distributable profit for the year 2023 in accordance with the Turkish Commercial Code and the Company’s Articles of Association and to pay a gross dividend of TRY2,031,165 (2023: TRY1,611,170) as indexed value. Dividend payments were completed on 5 April 2024.

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NOTE 20 - REVENUE AND COST OF SALES

Sales and cost of goods sold for the years ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Domestic sales	16,002,704	21,362,043
Export sales	13,827,234	14,938,925
Less: Sales returns	(13,628)	(43,298)
Less: Sales discounts	(1,454,951)	(1,704,101)
Net sales income	28,361,359	34,553,569
Cost of sales (-)	(24,105,577)	(28,846,492)
Gross profit	4,255,782	5,707,077

NOT 21 - EXPENSES BY NATURE

Cost of sales, marketing expenses, general administrative expenses and research and development expenses by nature for the years ended as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Raw materials and goods	19,757,700	24,825,622
Employee benefit expenses	1,814,482	1,602,147
Depreciation and amortization	1,745,372	1,649,754
Consumable materials	481,554	484,955
Commission expenses	354,726	367,676
Maintenance, repair and cleaning expenses	246,089	271,021
Export expenses	150,643	163,406
Information technologies expense	123,162	104,936
Consultancy expenses	118,160	76,132
Insurance expenses	100,494	92,737
Other	730,807	719,965
Total	25,623,189	30,358,351

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NOT 21 - EXPENSES BY NATURE (Continued)

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

Fees for Services Received from Independent Auditor/Independent Audit Firm the Company's statement regarding the fees for services rendered by independent audit firms, prepared by the KGK pursuant to the Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the KGK letter dated 19 August 2021. as follows:

	2024	2023
Independent audit fee for the reporting period	4,632	4,519
Fees for tax advisory services	-	303
Fee for other assurance services	145	105
Fees for services other than independent auditing	156	49
Total	4,632	4,976

The fees above have been determined by including the legal audit and other related service fees of all subsidiaries and joint ventures, and the fees in foreign currency have been converted into TRY using the annual average rates of the relevant years.

NOTE 22 - OTHER OPERATING INCOME/(EXPENSE)

Other operating income for the years ended at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Foreign exchange gains	1,088,884	2,385,360
Interest income on credit sales	229,979	241,066
Gain on sale of scraps	23,347	45,967
Provisions no longer required	-	3,537
Other	14,725	19,194
Total	1,356,935	2,695,124

Other operating expenses for the years ended at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Foreign exchange losses	1,087,937	2,753,362
Interest expense from credit purchases	196,114	193,362
Provision for doubtful receivables (Note 8)	53,030	144,750
Other	9,004	17,129
Total	1,346,085	3,108,603

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NOTE 23 - INCOME FROM INVESTMENT ACTIVITIES

Income from investment activities for the years ended at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Rent income	29,971	14,436
Financial investment financing income	8,199	31,096
Income from fixed asset sales	1,759	11,790
Rent income	-	111,395
Total	39,929	168,717

NOTE 24 - FINANCIAL INCOME/(COSTS)

Finance income for the years ended at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Interest income	746,932	437,882
Foreign exchange gains	444,353	1,317,169
Total	1,191,285	1,755,051

Financial costs for the years ended at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Foreign exchange expense	1,615,325	2,630,196
Interest and commission expenses	942,152	624,877
Total	2,557,477	3,255,073

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NOTE 25 - NET MONETARY POSITION GAINS/(LOSSES)

Net monetary position gains for the year ending December 31, 2024 are as follows:

	31 December 2024
Statement of Financial Position (a)	(2,511,283)
Inventories	68,850
Prepaid expenses	2,199
Financial investments	1,606
Property, plant and equipment	4,456,030
Intangible assets	244,879
Investment properties	52,040
Right of use assets	23,276
Deferred tax liability	(217,125)
Paid-in capital	(2,723,156)
Accumulated other comprehensive income and expenses to be reclassified to profit or loss	(32,212)
Restricted reserves	(955,658)
Retained earnings	(3,432,012)
Statement of profit or losses (b)	2,991,044
Revenue	(4,093,889)
Cost of sales	5,943,345
General administrative expenses	112,760
Marketing expenses	105,103
Research and development expenses	30,849
Other income/expenses from operating activities	39,252
Income/expense from investing activities	(4,737)
Operating profit/(loss)	751,146
Tax expense for the period	107,215
Net monetary position gains/(losses), (a+b)	479,761

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NOTE 26 - TAX ASSETS AND LIABILITIES

Tax expenses for the years ended at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Current income tax expense	(343,902)	(549,155)
Deferred tax income	(459,489)	(408,423)
Total tax income/(expense)	(803,391)	(957,578)

Corporate Tax

The Company is subject to corporate tax valid in Turkey. Tax liability provisions are determined in accordance with the current year financial activities.

Corporate Tax Law No. 5520 and dated 13 June 2006 was published in the Official Gazette dated 21 June 2006. Many provisions of the said new Corporate Tax Law No. 5520 came into effect as of 1 January 2006. In accordance with the temporary article 13 added to the Corporate Tax Law with the “Law on the Collection of Public Claims and Amendments to Certain Laws” numbered 7316, which was published in the Official Gazette dated 22 April 2021, the corporate tax rate was increased to 25% for the year 2024. (2023: 25%). The corporate tax rate is applied to the net corporate income 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 and deductions in the tax laws. Losses can be carried for a maximum of 5 years, to be deducted from the taxable profit that will occur in the coming years, provided that the conditions stipulated in the Law are met. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

There is no agreement with the tax authorities on the tax payable in Turkey. The corporate tax declaration is given on the until the evening of the last day of the fourth month following the month of which the accounting period is closed and is paid within the same period.

Turkey started to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with the Bill submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations came into force with the laws published in the Official Gazette on August 2, 2024. The company is not covered under the Pillar 2 Model. The controlling shareholder of the Company is Akkök Holding A.Ş. Calculations continue at the consolidated level, and no significant provision is expected to be reflected to the Company.

Income Tax Withholding

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding (Reserving the provisions of the Double Taxation Avoidance Agreement) tax at the rate of 15%. (With the Presidential Decision No. 4936 published in the Official Gazette dated 22 December 2021, the dividend withholding tax rate was reduced from 15% to 10%). An increase in capital via issuing bonus shares is not considered as a profit distribution.

Tax Advantages Obtained under the Investment Incentive System:

The Company's earnings from investments subject to investment incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached. In this context, the Company has not recognized any amount as deferred tax asset in the financial statements except for the expenditures within the scope of the investment incentive certificate utilized in the calculation of reduced corporate tax.

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NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

Deferred Income Tax Assets and Liabilities

The Company calculates deferred tax assets and liabilities considering the effect of temporary differences arising from different valuation of balance sheet items according to TAS and statutory financial statements. Such temporary differences usually result from the recognition of revenue and expenses in different reporting periods according to TAS and Tax Code.

With the provisions of the seventh and eighth paragraphs added to Article 32 of the Corporate Tax Law with the Law No. 7351 dated 19.01.2022, it is envisaged that the corporate tax rate will be reduced by 1 and 5 points on the earnings of exporting institutions from exports and the earnings of institutions that have an industrial registry certificate and are actually engaged in production activities. In this context, the tax rate used in calculating deferred tax assets and liabilities is 24% (2023: 24%).

The breakdown of cumulative temporary differences and deferred income tax assets and liabilities provided using enacted tax rates as of 31 December 2024 and 2023 are as follows:

	Temporary taxable differences		Deferred income tax asset/liability	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Employee termination benefits	165,741	181,635	39,778	43,592
Lease liabilities	56,185	117,213	13,484	28,131
Trade receivable	38,650	140,860	9,276	33,806
Prepaid expenses	-	4,686	-	1,122
Other	2,597	-	623	-
Deferred tax assets			63,161	106,651
Property, plant and equipment and intangible assets	(2,947,890)	(224,434)	(707,494)	(53,865)
Stock	(286,143)	(335,547)	(68,674)	(80,532)
Right-of-use assets	(133,082)	(174,781)	(31,940)	(41,948)
Derivative financial instruments	(113,499)	(8,179)	(27,240)	(1,964)
Trade receivables	(24,852)	(33,653)	(5,964)	(8,077)
Prepaid expenses	(4,370)	-	(1,049)	-
Deferred tax liabilities			(842,361)	(186,386)
Deferred tax assets/(liability), net			(779,200)	(79,735)

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NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

Movement for the deferred income tax liabilities for the periods ended at 31 December 2024 and 2023 are as follows:

	2024	2023
1 January	(79,735)	201,378
Deferred tax income for the period, net	(459,489)	(408,423)
Recognized under equity	(239,976)	127,310
31 December	(779,200)	(79,735)

	31 December 2024	31 December 2023
Income tax	(343,902)	(549,155)
Prepaid taxes	367,288	305,404
Monetary gain/(loss), net	99,484	130,131
Current income tax assets/(liabilities)	122,870	(113,620)

The reconciliation of tax expenses stated in income statements for the years ended at 31 December 2024 and 2023 are as follows:

	2024	2023
Profit before tax in the financial statements	1,940,016	3,342,688
Expected tax expense of the Company (24%)	465,604	802,245
Monetary (gain) / loss, net	2,602,013	1,272,620
The effect of application of equity method	(37,498)	(150,164)
Investment incentives	(1,031,228)	(1,212,349)
Discounts and exemptions	(164,200)	(332,615)
Additions	38,358	12,597
Tax effect (24%)	337,787	(98,379)
Additional corporate tax	-	253,712
Current period tax (income)/expense of the Company	803,391	957,578

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NOTE 27 - EARNINGS PER SHARE

Earnings per share disclosed in the statements is determined by dividing net profit for the period by the weighted average number of shares issued within the relevant period. The earnings per share calculation for the years ended 31 December 2024 and 2023 as follows:

	2024	2023
Net profit attributable to the equity holders of the parent (TRY) ^(*) (A)	1,136,624,872	2,385,110,308
Weighted average number of shares (B)	388,500,000,000	388,500,000,000
Earnings per share (Kr) (A/B)	0.29	0.61

(*) Amounts expressed in full TRY.

NOTE 28 - RELATED PARTY DISCLOSURES

a) Short-term trade receivables:

As of 31 December 2024, and 2023, trade receivables from related parties are as follows:

	31 December 2024	31 December 2023
Ak-Pa Tekstil İhracat Pazarlama A.Ş. (“Ak-Pa”) ^(*) ⁽¹⁾	1,853,029	1,671,389
DowAksa İleri Kompozit Malzemeler San. Ltd. Şti. (“DowAksa”) ⁽²⁾	404,826	449,759
Akkim Kimya San. ve Tic. A.Ş. (“Akkim”) ⁽¹⁾	76,446	94,533
Yalova Kompozit ve Kimya İhtisas Organize Sanayi Bölgesi (“Yalkim OSB”) ⁽⁴⁾	6,224	3,462
Akgirişim Müt. Müş. Çevre Tek. San. Tic. A.Ş. (“Akgirişim”) ⁽¹⁾	3,278	3,563
Other	698	189
Less: Unearned finance income on credit sales (-)	(11,841)	(3,588)
Total	2,332,660	2,219,307

(*) Foreign sales are made through Ak-Pa, the foreign trade company of the Company, and the balance consists of trade receivables arising from these transactions.

As of 31 December 2024, and 2023, the foreign currency denominated trade receivables have 3 months maturity on average and are discounted with annual average discount rate of 8% (31 December 2023: 8%) based on USD.

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

b) Short-term trade payables:

As of 31 December 2024, and 2023, short-term trade payables to related parties are as follows:

	31 December 2024	31 December 2023
Ak-Pa ⁽¹⁾	91,205	121,118
Akkim ⁽¹⁾	83,982	167,062
Akgiriřim ⁽¹⁾	68,403	86,912
Dinkal Sigorta Acentelięi A.ř. ^{(**)(1)}	24,171	22,969
Yalkim OSB ⁽⁴⁾	23,835	31,929
Aktek Bilgi İřlem Tekn. San. ve Tic. A.ř. ⁽¹⁾	14,133	11,813
Akkök Holding ⁽³⁾	9,794	9,562
Other	293	6,124
Total	315,816	457,489

(**) This amount represent payments to insurance companies through Dinkal Sigorta Acentelięi A.ř.

31 December 2024 and 2023, trade receivables have an average maturity of one (1) month.

⁽¹⁾ Akkök Holding subsidiary

⁽²⁾ Company’s joint venture

⁽³⁾ Company main shareholder

⁽⁴⁾ Other related parties

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

c) Short-term borrowings:

	31 December 2024		31 December 2023	
	Annual weighted average effective interest rate (%)	TRY	Annual weighted average effective interest rate (%)	TRY
TRY borrowings	26.93	3,070,000	25.65	1,162,249
Prepaid interest		(482,916)		(258,090)
Ak-Pa ⁽¹⁾		2,587,084		904,159

It consists of export credits mediated by Ak-Pa.

d) Prepaid expenses:

Advances given to related parties for the year ended as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Akgiriřim ⁽¹⁾	17,244	95,111
Total	17,244	95,111

Advances given are consists of advance payments for various investment projects in Yalova facility.

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

e) Sales:

Sales to related parties for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
Ak-Pa ^{(*) (1)}	13,733,918	15,164,022
DowAksa ⁽²⁾	902,956	1,203,274
Akkim ⁽¹⁾	901,032	1,245,254
Akenerji ⁽¹⁾	36,355	53,826
Sakarya Elektrik Perakende Satış A.Ş. (“Sepaş”) ⁽¹⁾	-	54,753
Other	37,305	66,664
Total	15,611,566	17,787,793

(*) Foreign sales are made through Ak-Pa, the foreign trade company of the Company, and the balance consists of trade receivables arising from these exporting transactions.

Other sales to related parties consist of rent incomes, electric and steam energy sales.

⁽¹⁾ Akkök Holding subsidiary
⁽²⁾ Company’s joint venture
⁽³⁾ Company main shareholder
⁽⁴⁾ Other related parties

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

f) Purchases of goods and services:

Product and service purchases from related parties for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
Akkim ⁽¹⁾	858,634	1,115,859
Akgirişim ⁽¹⁾	629,323	748,777
Dinkal Sigorta Acenteliği A.Ş. ^{(*) (1)}	236,365	219,795
Yalkim OSB ⁽⁴⁾	228,471	354,067
Ak-Pa ⁽¹⁾	219,075	208,132
Aktek Bilgi İşlem Tekn. San. ve Tic. A.Ş. ⁽¹⁾	139,677	93,436
Akkök Holding ⁽³⁾	39,706	22,198
Akenerji ⁽¹⁾	28,327	79,303
Other	7,347	11,706
Total	2,386,925	2,853,273

(*) Insurance service purchases from various insurance companies through Dinkal Sigorta Acenteliği A.Ş.

Purchases from related parties consist of chemicals, insurance, contracting, consultancy, commissions, rent, expenses for organized industrial zone and other service purchases.

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

g) Real estate purchases:

	2024	2023
Akkim ^{(*) (1)}	632,708	-
Total	632,708	-

(*) When the expansion areas around the Company's production facilities are evaluated, consider future potential growth needs, the 16,965.79 m2 land owned and shared by Akkim Kimya Sanayi ve Ticaret A.Ş. was purchased for 76,597 TL, and the property rights and shares of the 33,427.62 m2 industrial facility and land were purchased for 556,111 TL on August 1, 2024.

h) Key management compensation:

The Company defined its key management personnel as member of executive committee and board members. Benefits provided to key management personnel as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Wages and other short-term employee benefits	142,707	101,042
Provision for employment termination benefits	1,432	48
Total	144,139	101,090

(1) Akkök Holding subsidiary

(2) Company's joint venture

(3) Company main shareholder

(4) Other related parties

Benefits provided to the Board of Directors, for the years ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Wages and other short-term employee benefits	9,637	8,205
Provision for employment termination benefits	-	-
Total	9,637	8,205

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NOTE 29 - FINANCIAL RISK MANAGEMENT

Purposes and principles of risk management

The Company principal financial instruments are cash and cash equivalents, trade receivables and financial liabilities. The main purpose of these financial instruments is to generate financing resources for the Company's operations. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk, foreign currency risk and credit risk. The Company management reviews and agrees policies for managing each of the risks as summarized below.

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 Company 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 Company policy that all customers who wish to trade on credit terms are subject to credit screening procedures and the Company also obtains collaterals from customers when appropriate. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. Trade receivables are evaluated by management based on their past experiences and current economic condition and are presented in financial statements net of provision for doubtful receivables (Note 8).

Trade Receivable Aging Analysis

The Company has TRY189,772 provision (31 December 2023: TRY215,334) on their receivables and aging of the receivables which are overdue but not impaired are as follows:

Trade Receivables	31 December 2024	31 December 2023
1-30 days overdue	147,884	140,250
1-3 months overdue	238,360	287,377
3-12 months overdue	281,627	37,113
More than 12 months overdue	75,905	195,822
Total (*)	743,776	660,562
Secured with guarantees	206,885	421,742

(*) TRY292,862 of the amount has been collected as of the date of the report (31 December 2023: TRY202,345).

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NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2024, the Company’s maximum exposure to credit risk is presented below:

	Trade receivables		Other receivables		Financial assets		Deposits in banks
31 December 2024	Related Parties	Other	Related Parties	Other	Related Parties	Other	Other
Maximum credit risk exposure as of reporting date	2,332,660	1,538,457	-	847	-	18,120	3,161,499
- Secured portion of maximum credit risk by guarantees ^(*)	1,822,773	1,416,061	-	-	-	-	-
Net book value of financial assets either are not due or not impaired	1,705,055	1,422,286	-	847	-	18,120	3,161,499
- Secured portion with guarantees	1,593,517	1,384,108	-	-	-	-	-
Net book value of the overdue or not impaired financial assets	627,605	116,171	-	-	-	-	-
- Secured portion with guarantees	229,256	31,953	-	-	-	-	-
Net book value of impaired assets	-	-	-	-	-	-	-
- Matured (gross book value)	-	189,772	-	-	-	-	-
- Impairment (-) (Note 8)	-	(189,772)	-	-	-	-	-
- Secured portion with guarantees	-	-	-	-	-	-	-
Off balance sheet credit risks	-	-	-	-	-	-	-

(*) Guarantees taken from the related parties consist of Ak-Pa’s guarantees received from export customers.

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NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2023, the Company’s maximum exposure to credit risk is presented below:

	Trade receivables		Other receivables		Financial assets		Deposits in banks
31 December 2023	Related Parties	Other	Related Parties	Other	Related Parties	Other	Other
Maximum credit risk exposure as of reporting date	2,219,307	1,296,283	-	787	-	88,269	4,888,921
- Secured portion of maximum credit risk by guarantees ^(*)	1,581,554	1,151,253	-	-	-	-	-
Net book value of financial assets either are not due or not impaired	1,829,188	1,025,840	-	787	-	88,269	4,888,921
- Secured portion with guarantees	1,422,541	888,524	-	-	-	-	-
Net book value of the overdue or not impaired financial assets	390,119	270,443	-	-	-	-	-
- Secured portion with guarantees	159,013	262,729	-	-	-	-	-
Net book value of impaired assets	-	-	-	-	-	-	-
- Matured (gross book value)	-	215,334	-	-	-	-	-
- Impairment (-) (Note 8)	-	(215,334)	-	-	-	-	-
- Secured portion with guarantees	-	-	-	-	-	-	-
Off balance sheet credit risks	-	-	-	-	-	-	-

(*) Guarantees taken from the related parties consist of Ak-Pa’s guarantees received from export customers.

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NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

Foreign Exchange Risk

The Company is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities in the translation of the TRY. The exchange rate risk is monitored by analyzing the foreign currency position. The Company is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities.

Foreign currency position presented in TRY is as follows:

	31 December 2024		31 December 2023	
	TRY equivalent	USD equivalent ^(*)	TRY equivalent	USD equivalent ^(*)
Assets	4,358,769	123,547	7,077,454	166,519
Liabilities	7,102,570	201,318	9,425,796	221,770
Net balance sheet position	(2,743,801)	(77,771)	(2,348,342)	(55,251)
Foreign currency denominated net position of derivative financial assets/(liabilities)	(1,265,472)	(35,869)	42,502	1,000
Net Foreign Currency Asset/(Liability) Position	(4,009,273)	(113,640)	(2,305,840)	(54,251)
Inventories considered under natural hedge ^(**)	4,041,761	114,561	4,549,989	107,052
Cash flow hedge ^(***)	1,299,272	36,827	2,699,249	63,508
Net foreign currency position after hedge	1,331,760	37,748	4,943,398	116,309

^(*) USD equivalent amounts are calculated by dividing the TRY positions by the USD exchange rates as of the balance sheet date and unless otherwise stated, they are expressed in thousand USD.

^(**) The Company limits the foreign currency risk arising from net foreign currency financial liabilities and trade payables by reflecting changes to product sales prices. The amount consists of the Company's total raw material, semi-finished and finished product stocks.

^(***) As of 31 December 2024, principal amount of loans amounting to USD4,778 thousand and EUR30,779 thousand (hedging instruments), were matched to the amount of future highly probable sales transactions (hedged items) to apply cash flow hedge accounting (31 December 2023: USD14,335 thousand and EUR44,440 thousand). As a result of the effectiveness test performed within this scope, the Company has determined that the entire transaction is effective. As of the reporting period, amounting to TRY960,592 (31 December 2023: TRY369,777) before tax is recognized under “Other Comprehensive Income”. The ineffective portion arises when sales and credit payments are not realized on the same date and as of the reporting period, the ineffective portion is insignificant.

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NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2024, and 31 December 2023, the foreign currency positions are as follows:

	31 December 2024			
	TRY equivalent	USD position	EUR position	Other
1. Trade Receivables	3,134,868	63,740	23,989	4,842
2a. Monetary Financial Assets (including cash and bank accounts)	1,223,901	26,266	8,089	40
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	4,358,769	90,006	32,078	4,882
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	4,358,769	90,006	32,078	4,882
10. Trade Payables	3,274,086	87,323	4,971	10,690
11. Financial Liabilities	2,957,509	41,283	40,861	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-monetary Liabilities	-	-	-	-
13. Short-Term Liabilities (10+11+12)	6,231,595	128,606	45,832	10,690
14. Trade Payables	-	-	-	-
15. Financial Liabilities	870,975	12,500	11,704	-
16 a. Other Monetary Liabilities	-	-	-	-
16 b. Other Non-monetary Liabilities	-	-	-	-
17. Long-Term Liabilities (14+15+16)	870,975	12,500	11,704	-
18. Total Liabilities (13+17)	7,102,570	141,106	57,536	10,690
19. Off Balance Sheet Derivative Items Net Asset/(Liability) Position (19a-19b)	(1,265,472)	(27,570)	(7,970)	-
19a. Off balance sheet derivative asset amount	-	-	-	-
19b. Off balance sheet derivative liability	1,265,472	27,570	7,970	-
20. Off Balance Sheet Derivative Items’ Net Asset/(Liability) Position (19a-19b)	(4,009,273)	(78,670)	(33,428)	(5,808)
21. Monetary Net Foreign Currency Assets/(Liabilities) Position (=1+2a+5+6a-10-11-12a-14-15-16a)	(2,743,801)	(51,100)	(25,458)	(5,808)
22. Fair Value of Financial Instruments Used for Foreign Hedge	113,499	2,354	828	-
23. Amount of Hedged Foreign Currency Assets	4,041,761	114,561	-	-
24. Amount of Hedged Foreign Currency Liabilities	1,299,272	4,778	30,779	-

As of 31 December 2024, the Company has TRY1,331,760 (31 December 2023: TRY4,943,398 foreign currency deficit, net) foreign currency surplus, net after natural hedge (page 60).

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2023 ^(*)			
	TRY equivalent	USD position	EUR	Other
1. Trade Receivables	3,166,404	60,394	12,748	-
2a. Monetary Financial Assets (including cash and bank accounts)	3,781,307	81,804	5,669	26,183
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	6,947,711	142,198	18,417	26,183
5. Trade Receivables	129,743	3,053	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	129,743	3,053	-	-
9. Total Assets (4+8)	7,077,454	145,251	18,417	26,183
10. Trade Payables	5,171,163	109,855	10,663	395
11. Financial Liabilities	2,556,952	43,217	15,312	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-monetary Liabilities	-	-	-	-
13. Short-Term Liabilities (10+11+12)	7,728,115	153,072	25,975	395
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1,692,980	4,778	31,680	-
16 a. Other Monetary Liabilities	4,701	-	100	-
16 b. Other Non-monetary Liabilities	-	-	-	-
17. Long-Term Liabilities (14+15+16)	1,697,681	4,778	31,780	-
18. Total Liabilities (13+17)	9,425,796	157,850	57,755	395
19. Off Balance Sheet Derivative Items Net Asset/(Liability) Position (19a-19b)	42,502	1,000	-	-
19 a. Off balance sheet derivative asset amount	42,502	1,000	-	-
19 b. Off balance sheet derivative liability amount	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(2,305,840)	(11,599)	(39,338)	25,788
21. Monetary Net Foreign Currency Assets/(Liabilities) Position (=1+2a+5+6a-10-11-12a-14-15-16a)	(2,348,342)	(12,599)	(39,338)	25,788
22. Fair Value of Financial Instruments Used for Foreign Hedge	8,179	192	-	-
23. Amount of Hedged Foreign Currency Assets	4,549,989	107,052	-	-
24. Amount of Hedged Foreign Currency Liabilities	2,699,249	14,335	44,440	-

(*) In the foreign exchange position dated 31.12, 2023, the values in the TL equivalent column have been re-indexed on the basis of purchasing power as of December 31, 2024, and the foreign currency equivalents are shown at their historical value.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2024, and 2023, the situations to reach of net foreign position in the Company’s balance sheet with the changes in exchange rates are summarized in the table below:

31 December 2024	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TRY USD net asset/(liability)	(180,278)	180,278	211,064	(211,064)
Amount hedged for USD risk	(80,410)	80,410	(16,858)	16,858
USD net effect	(260,688)	260,688	194,206	(194,206)
In case of 10% appreciation of EUR against TRY EUR net asset/(liability)	(93,521)	93,521	-	-
Amount hedged for EUR risk	83,790	(83,790)	(113,070)	113,070
EUR net effect	(9,731)	9,731	(113,070)	113,070

31 December 2023	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TRY USD net asset/(liability)	(53,549)	53,549	250,423	(250,423)
Amount hedged for USD risk	65,176	(65,176)	(65,176)	65,176
USD net effect	11,627	(11,627)	185,247	(185,247)
In case of 10% appreciation of EUR against TRY EUR net asset/(liability)	(185,006)	185,006	-	-
Amount hedged for EUR risk	208,999	(208,999)	(208,999)	208,999
EUR net effect	23,993	(23,993)	(208,999)	208,999

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NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

Interest Risk

The Company is exposed to interest risk arising from the borrowings interest rate changes. According to balance sheet position of the floating interest rate financial liabilities as of 31 December 2024, other things being constant, if the interest rate depreciate/appreciate by 1%, profit before tax would TRY2,212 (31 December 2023: TRY1,914), capitalized financing cost on construction in progress will not change

	31 December 2024	31 December 2023
Fixed interest rate financial instruments		
Financial assets		
Cash and cash equivalents ^(*)	3,139,316	4,881,102
Financial investments	-	34,453
Financial liabilities		
Lease liabilities	56,185	117,213
USD borrowings (fixed due to interest rate swaps)	1,287,057	1,427,698
TRY borrowings	3,070,000	1,162,249
EUR borrowings	657,842	709,142
Floating interest rate financial instruments		
Financial investments		
Shareholding participation shares	13,136	476
Financial funds	4,984	87,793
Financial liabilities		
USD borrowings	610,406	612,219
EUR borrowings	1,240,074	1,425,208

(*) Cash and cash equivalents consist of bank deposits with maturity less than three months.

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NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

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 in illiquid. In the framework of liquidity risk management, funding sources are being diversified, and sufficient cash and cash equivalents are held.

The breakdown of financial assets and liabilities according to their maturities is disclosed considering from balance sheet date to due date period. Financial assets and liabilities that have no certain due dates are classified in over one-year column.

31 December 2024: Expected or maturities per agreement	Book value	Contractual cash outflows	Up to 3 months	3-12 months	1-5 years	Over than 5 years
Non-derivative financial liabilities						
Financial liabilities	6,382,463	7,069,192	304,361	5,849,691	915,140	-
Trade payables	3,353,100	3,605,632	3,108,807	496,825	-	-
Lease liabilities	56,185	209,899	3,369	8,976	30,877	166,677
Due to related parties	315,816	315,816	315,816	-	-	-
	10,107,564	11,200,539	3,732,353	6,355,492	946,017	166,677

31 December 2023: Expected or maturities per agreement	Book value	Contractual cash outflows	Up to 3 months	3-12 months	1-5 years	Over than 5 years
Non-derivative financial liabilities						
Financial liabilities	5,078,426	6,248,250	1,444,000	2,965,663	1,838,587	-
Trade payables	5,134,250	5,167,904	4,730,091	437,813	-	-
Lease liabilities	117,213	357,628	4,815	13,089	42,156	297,568
Due to related parties	457,489	457,489	457,489	-	-	-
	10,787,378	12,231,271	6,636,395	3,416,565	1,880,743	297,568

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NOTES TO THE FINANCIAL STATEMENTS
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NOT 29 - FINANCIAL RISK MANAGEMENT (Continued)

Import and export information:

Import and export in TRY according to their original currency for the years ended at 31 December 2024 and 2023 are as follows:

Export	31 December 2024	31 December 2023
EUR	8,693,737	10,428,928
USD	5,109,678	4,458,203
Other	23,819	51,794
Total	13,827,234	14,938,925

Import	31 December 2024	31 December 2023
USD	13,766,825	18,180,949
EUR	1,344,460	1,948,072
Other	2,115,710	73,326
Total	17,226,995	20,202,347

Capital risk management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including financial liabilities, trade payables and due to related parties, as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

The ratio of net debt to equity is as follows:

	31 December 2024	31 December 2023
Total monetary liabilities ^(*)	10,107,564	10,787,378
Less: Cash and cash equivalents (Note 4)	(3,162,396)	(4,890,151)
Less: Financial investments (Note 5)	(18,120)	(88,269)
Net debt	6,927,048	5,808,958
Total shareholders’ equity	23,876,885	24,161,099
Total capital	30,803,933	29,970,057
Debt/equity ratio	22%	19%

^(*) It consists of short-term and long-term borrowings, short-term and long-term lease liabilities, trade payables to related parties and trade payables to other parties.

NOTE 30 - FINANCIAL INSTRUMENTS

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 Company, 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 Company could realize in a current market exchange.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions are used to estimate the fair value of the financial instruments:

Financial 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 close 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.

Financial liabilities

The fair values of short-term borrowings and trade payables are assumed to approximate to their carrying values due to their short-term nature.

The estimated fair values of foreign currency long-term borrowings are assumed to approximate to their carrying values due to bearing floating interest rates. The estimated fair values of long-term borrowings are calculated based on the effective market interest rates and the cash flow calculations are discounted accordingly (Note 7).

Fair Value Estimation:

Effective 1 January 2010, the Company adopted the amendment to IFRS 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 fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) 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 (that are, as prices) or indirectly (that are, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that are, unobservable inputs)

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

31 December 2024	Level 1	Level 2	Level 3
Financial investments	-	4,984	13,136
Derivative financial assets for hedging purposes	-	113,499	-
Total asset/(liabilities)	-	118,483	13,136

31 December 2023	Level 1	Level 2	Level 3
Financial investments	-	87,793	476
Derivative financial assets for hedging purposes	-	8,179	-
Total asset/(liabilities)	-	95,972	476

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs are observable in terms of the fair value of a financial instrument is included in level 2.

NOTE 31 - EVENTS AFTER BALANCE SHEET DATE

In line with the Company's strategy of 'becoming a leader with innovative solutions in advanced materials', Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş., which produces composite parts and molds mainly for the aviation industry. The purchase of all shares of BTB Aviation Investment Inc., which holds 49% of the shares ("Epsilon") and has no other activities, for 20,237,000 USD and the 5% shares of Epsilon from NDÇ Holding A.Ş. for 2,065,000 USD, were completed on January 28, 2025. Thus, Epsilon became a 54% shareholder.

SUMMARY FINANCIAL STATEMENTS

BALANCE SHEET SUMMARY ^(*)	31 December 2024 (‘000 USD)	31 December 2023 (‘000 USD)
Assets	1,009,994	1,023,152
Current Assets	357,272	399,959
Cash and Cash Equivalents	89,636	138,609
Trade Receivables	109,725	95,970
Inventories	127,599	141,113
Other Current Assets	30,312	21,890
Financial Investments	-	2,377
Non-Current Assets	652,722	623,193
Trade Receivables	-	3,677
Investments Accounted for By The Equity Method	59,825	70,981
Tangible Fixed Assets	536,591	507,438
Right of Use Asset	3,772	4,954
Intangible Assets	28,124	26,575
Other Non-Current Assets	24,410	9,568
Total Liabilities	1,009,994	1,023,152
Short-Term Liabilities	281,368	281,972
Financial Liabilities	157,185	98,177
Trade Payables	103,993	158,495
Other Short-term Liabilities	20,190	25,300
Long-Term Liabilities	51,849	56,347
Financial Liabilities	25,315	49,090
Provision for Employment Termination Benefits	4,340	4,861
Deferred Tax Liability	22,086	2,260
Other Long-Term Liabilities	108	136
Equity	676,777	684,833

(*) The translation of the financial statements into US Dollars is for illustrative purposes only, and the closing US Dollar exchange rate of 35.2803 TL (31 December 2023: TL 35.2803) was used for balance sheet items, and the average exchange rate of 32.7984 TL (31 December 2023: TL 32.7984) for the period was used for income statement items.

SUMMARY INCOME STATEMENT ^(*)	31 December 2024 (‘000 USD)	31 December 2023 (‘000 USD)
Net Sales	864,717	1,053,513
Operating Profit	83,816	115,302
EBITDA	136,700	178,209
Net profit	34,655	72,720
LIQUIDITY RATIOS	31 December 2024	31 December 2023
Current Ratio	1.27	1.42
Liquidity Ratio	0.82	0.92
Leverage Ratio	31 December 2024	31 December 2023
Net Debt / Equity	0.29	0.24
Net Financial Debt / Equity	0.14	0.01
Net Financial Debt / EBITDA ^(**)	0.68	0.04
PROFITABILITY RATIOS	31 December 2024	31 December 2023
EBITDA Margin	15.8%	16.9%
Net Profit Margin	4.0%	6.9%
Return on Invested Capital (ROIC)	3.2%	6.6%
Return on Equity (ROE)	4.8%	9.9%

(*) The translation of the financial statements into US Dollars is for illustrative purposes only, and the closing US Dollar exchange rate of 35.2803 TL (31 December 2023: TL 35.2803) was used for balance sheet items, and the average exchange rate of 32.7984 TL (31 December 2023: TL 32.7984) for the period was used for income statement items.

(**) Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

06

APPENDICES

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ENVIRONMENTAL INDICATORS

ENERGY CONSUMPTION BY FUEL TYPE

Type	Unit	2021	2022	2023	2024
Natural Gas	MWh	252,033	366,921	204,251	205,063
Electricity	MWh	194,925	206,096	205,094	19,911
Coal	MWh	3.441,511	3,359,820	3,695,763	3,671,918
Energy density	MWh/ton-production	13.25	12.83	12.96	13.34

GREENHOUSE GAS EMISSIONS (AKSA)

Type	Unit	2021	2022	2023	2024
Scope 1	tonCO ₂ e	1,225,899	1,220,584	1,328,303	1,305,683
Scope 2	tonCO ₂ e	5,033	30,237	14,122	61,046
Scope 3	tonCO ₂ e	1,121,352	1,213,208	1,456,792	1,330,904
Emission intensity*	tonCO ₂ e/ton-production	4.20	4.08	4.24	4.67

*Scope 3 data is not included in the calculation of emission intensity..

GREENHOUSE GAS EMISSION (AKSA + AFFILIATES)*

Type	Unit	2021	2022	2023	2024
Scope 1	tonCO ₂ e	1,225,899	1,220,584	1,328,303	1,323,725
Scope 2	tonCO ₂ e	5,033	30,237	14,122	252,880
Scope 3	tonCO ₂ e	1,121,352	1,213,208	1,456,792	1,330,904

* Consolidated emission calculations carried out for 2024.

OTHER EMISSION RELEASES (AKSA)

Emission Type	Unit	2021	2022	2023	2024
Toz	ton/year	85.4	74.4	88.6	74.3
Sox	ton/year	541.8	486.8	525.9	707.1
Nox	ton/year	728.6	722	810.8	897.9

AMOUNT OF HAZARDOUS WASTE

Type	Unit	2021	2022	2023	2024
Disposal in regular landfill	ton/year	872	1.238	674	10.8
Burned (Recovered for energy purposes)	ton/year	793	829	708	1,457
Burned (not recovered for energy purposes)	ton/year	272	263	366	616
Other*	ton/year	994	242	1,173	389
Total amount of hazardous waste	ton/year	2,931	2,572	2,921	2,472.8

* Other, D4 coded means disposal and R9 and R12 coded mean recovery methods.

NON-HAZARDOUS WASTE

Type	Unit	2021	2022	2023	2024
Disposal in regular landfill	ton/year	4,800	14,072	13,333	13,581
Recycled	ton/year	2,692	3,074	2,859	1,858
Burned (Recovered for energy purposes)	ton/year	6,912	8,074	3,592	0
Burned (not recovered for energy purposes)	ton/year	137	139	12	0
Total amount of non-hazardous waste	ton/year	14,541	25,359	19,796	15,439

WATER AND WASTE WATER

Type	Unit	2021	2022	2023	2024
Surface water	m³/year	1,883,781	2,674,460	2,703,730	2,629,940
Ground water	m³/year	0	0	0	0
Dam water	m³/year	3,238,750	2,231,779	2,308,814	2,121,169
Total usage	m³/year	5,122,531	4,906,239	5,012,544	4,751,109
Amount of recycled/reused water	m³/year	1,135,807	1,171,844	1,100,082	1,007,291
Waste water	m³/year	2,845,993	2,759,924	3,025,824	2,825,338

SOCIAL PERFORMANCE INDICATORS

NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE

		2021		2022		2023		2024	
		Female	Male	Female	Male	Female	Male	Female	Male
Total	person	155	1,183	196	1,222	203	1,192	236	1,182
Operational workers	person	89	1,032	124	1,068	135	1,040	162	1,022
First level management	person	7	44	11	42	14	41	17	40
Middle level management	person	5	20	8	31	7	29	9	31
Professional	person	52	79	51	73	45	74	46	82
Senior management	person	2	8	2	8	2	8	2	7

*First level management, managers and technical experts
*Middle level management, managers and group managers
*Senior management, directors
*Professional, experts

NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE AND LENGTH OF WORK

		2021		2022		2023		2024	
		Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Total	person	1,337	1	1,416	2	1,394	1	1,416	2
Professional and above	person	216	1	224	2	219	1	232	2
Operational workers	person	1,121	0	1,192	0	1,175	0	1,184	0

NUMBER OF SUBCONTRACTOR EMPLOYEES

		2021		2022		2023		2024	
		Female	Male	Female	Male	Female	Male	Female	Male
By gender	person	69	183	71	194	126	262	251	76

		2021		2022		2023		2024	
		Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
By working time	person	252	0	265	0	388	0	327	0

NUMBER OF EMPLOYEES BY YEARS

		2021		2022		2023		2024	
		Female	Male	Female	Male	Female	Male	Female	Male
0-5 years	person	79	355	119	364	135	376	154	396
5-10 years	person	22	219	21	226	23	259	29	205
10 years	person	54	609	56	632	45	557	53	581
Average Seniority	year							9.01	

EMPLOYEES DURING THE YEAR, BY GENDER AND AGE

		2021		2022		2023		2024	
		Female	Male	Female	Male	Female	Male	Female	Male
<29 years old	person	30	203	33	236	40	230	47	243
Between 30-50 years old	person	124	943	162	946	161	903	187	892
51 years old and above	person	1	37	1	40	2	59	2	47
New employees <30 years old*	person							22	141
New employees between the ages of 30-50 (inclusive of 30 and 50 years old)*	person							30	65
New employees >50 years old*	person							0	5

* Number of employees who started work between 1 January and 31 December in the relevant reporting year.

EMPLOYEES WHO LEAVE THE JOB BY GENDER AND AGE

		2021		2022		2023		2024	
		Female	Male	Female	Male	Female	Male	Female	Male
Total employees who left the job	person	14	72	22	85	43	179	17	221
Employees under 30 who left the job	person	7	31	10	30	10	61	8	90
Employees between the ages of 30-50 (inclusive of 30 and 50 years old) who left the job	person	7	29	12	50	33	95	8	103
Employees over the age of 50 who left the job	person	0	12	0	5	0	23	1	28
Employee turnover rate calculated by including employees who left voluntarily*	%	0.5	1.9	0.4	2.1	0.9	5.1		
Employee turnover rate for those who left against their own (%) **	%	0.2	2.5	0.4	3.5	3	12.7	7.2	18.2

* Number of personnel who left their position voluntarily / total number of personnel x100






** Number of employees who left their position against their will / total number of employees x100

INTERNAL RECRUITMENTS

		2021		2022		2023		2024	
		Female	Male	Female	Male	Female	Male	Female	Male
Positions filled by internal candidates	sayı	7	43	13	33	8	87	20	78

CORPORATE MEMBERSHIPS AND COLLABORATIONS

We are aware that our sustainability approach can generate value when we benefit all of our stakeholders and create partnerships for similar purposes. With this awareness, we attach importance to taking part in projects to develop collaborations that will create value with different institutions, organizations and non-governmental organizations.

 UN Global Compact	<p>We have been a supporter of the United Nations Global Compact (UN Global Compact) since 2006 by adopting sustainable and responsible ways of doing business. As part of this membership, we commit to follow the ten universal principles in the areas of human rights, labour standards, the environment and anti-corruption.</p> <p>UNGC Link</p>
 LSEG ESG Rating	<p>In order to evaluate our environmental, social and governance (ESG) performance against international standards, our ESG rating is provided through the London Exchange Group (LSEG). We regularly analyse our compliance with ESG criteria to strengthen our sustainability strategy and provide transparent information to our stakeholders.</p> <p>LSEG Link</p>
 Textile Exchange	<p>With our membership of Textile Exchange, a global initiative that promotes the production of sustainable textiles and materials, we contribute to the rollout of best practices in the industry by supporting the sustainable use of raw materials, the circular economy and responsible production practices.</p> <p>Textile Exchange Link</p>
 CDP	<p>We regularly report to the Carbon Disclosure Project (CDP) in order to increase transparency and accountability on climate change and water management. Within the scope of this process, we measure our performance in regard to our carbon footprint, water management and climate risks based on international standards, and share the results with our stakeholders.</p> <p>CDP Link</p>
 Borsa İstanbul	<p>In recognition of our strong performance in the field of sustainability and corporate governance, we have been included in the Borsa İstanbul (BIST) Sustainability Index and Corporate Governance Index. These indices certify our compliance with social and governance (ESG) criteria and our success in corporate governance principles.</p> <p>BIST Link</p>

Foreign Economic Relations Board - DEİK
İMEAK Chamber of Shipping
Istanbul Textile and Apparel Exporter Associations - İTKİB
Turkish Cogeneration Association
National Fire Protection Association - NFPA
Peryön People Management Association of Turkey
Turkish Chemical Manufacturers Association - TKSD
Port Operators Association of Turkey - TÜRKLİM
Turkish Industry & Business Association - TÜSİAD
Turkish Textile Employers’ Association - TTSİS
Yalova Chamber of Commerce and Industry

GRI CONTENT INDEX

Statement of use	Aksa Akrilik has reported in accordance with the GRI Standards for the period 1 January 2024 - 31 December 2024.
GRI 1 used	Foundation 2021
Applicable GRI sector standards	

GRI STANDARD	Declaration - Turkish	Location	Excluded
GRI 2: General Disclosures 2021	2-1 Organizational details	9-11	
	2-2 Entities included in the organization's sustainability reporting	3	
	2-3 Reporting period , frequency and contact point	3	
	2-4 Restatements of information	220-225	
	2-5 External assurance	3	
	2-6 Activities, value chain and other business relationships	130-131	
	2-7 Employees	55-61	
	2-8 Workers who are not employees	222-225	
	2-9 Governance structure and composition	13-19, 90-95	
	2-10 Nomination and selection of the highest governance body	90-95	
	2-11 Chair of the highest governance body	90-95	
	2-12 Role of the highest governance body in overseeing the management of impacts	90-95	
	2-13 Delegation of responsibility for managing impacts	90-95	

GRI STANDARD	Declaration - Turkish	Location	Excluded
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	95, 33-34	
	2-15 Conflicts of interest	97	
	2-16 Communication of critical concerns	35	
	2-17 Collective knowledge of the highest governance body	14-16	
	2-18 Evaluation of the performance of the highest governance body	90-91	
	2-19 Remuneration policies	55, 57, 90	
	2-20 Process to determine remuneration	55, 57, 90	
	2-21 Annual total compensation ratio	135, 140	
	2-22 Statement on sustainable development strategy	30-43	
	2-23 Policy commitments	30-43	
	2-24 Embedding policy commitments	44, 47, 55-56, 61-62, 90	
	2-25 Process to remediate negative impacts	33-43	
	2-26 Mechanisms for seeking advice and raising concerns	97	
	2-27 Compliance with laws and regulations was not obtained.	Penalty for non-compliance with laws and regulations during the reporting period	
	2-28 Memberships	30-43	
	2-29 Approach to stakeholder engagement	30-43	
	2-30 Collective bargaining agreements	No collective labor agreement is applied.	

GRI STANDARD	Declaration - Turkish	Location	Excluded
GRI 3: General Disclosures 2021	3-1 Process to determine material topics	33-36	
	3-2 List of material topics	33-36	
	3-3 Management of material topics	33-36	
GRI 101: Biodiversity 2024	101-1 Policies to Halt and Reverse Biodiversity Loss	53	
	101-2 Management of biodiversity impacts	53	
	101-3 Access and benefit-sharing	53	
	101-4 Identification of biodiversity impacts	53	
	101-5 Locations with biodiversity impacts	53	
	101-6 Direct drivers of biodiversity loss	53	
	101-7 Changes to the state of biodiversity	53	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	53	
	304-2 Significant impacts of activities , products and services on biodiversity	53	
	304-3 Habitats protected or restored	53	
	304-4 IUCN Red List species and national conservation list with habitats in areas affected by operations	Animals on the IUCN Red List do not exist in our production area.	

GRI STANDARD	Declaration - Turkish	Location	Excluded
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	38-40	
	201-2 Financial implications and other risks and opportunities due to climate change	44-45	
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	67-71	
	203-2 Significant indirect economic impacts	67-71	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	85	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	97	
	205-2 Communication and training about anti-corruption policies and procedures	97	
	205-3 Confirmed incidents of corruption and actions taken	97	
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no lawsuits filed due to anti-competitive behavior and/or activity during the reporting period.	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	220	
	302-3 Energy intensity	220	
	302-4 Reduction of energy consumption	51	
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	48-49	
	303-2 Management of water discharge related impacts	48-49	
	303-3 Water withdrawal	220	

GRI STANDARD	Declaration - Turkish	Location	Excluded
GRI 303: Water and wastewater 2018	303-4 Waste discharge	220	
	303-5 Water consumption	220	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	220	
	305-2 Energy indirect (Scope 2) GHG emissions	220	
	305-3 Other indirect (Scope 3) GHG emissions	220	
	305-4 GHG emissions intensity	220	
	305-5 Reduction of GHG emissions	50 - 51	
	305-6 Emissions of ozone-depleting substances (ODS)	50	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	220	
GRI 306: Waste 2016	306-3 Serious spills	No critical spills or leakages occurred during the reporting period.	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	52	
	306-2 Management of significant waste-related impacts	52	
	306-3 Waste generated	221	
	306-4 Waste diverted from disposal	221	
	306-5 Waste directed to disposal	221	

GRI STANDARD	Declaration - Turkish	Location	Excluded
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	84-85	
	308-2 Negative environmental impacts in the supply chain and actions taken	84-85	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	222-224	
	401-2 Benefits provided to full-time employees but not to temporary or part-time employees	55-61	
	401-3 Parental leave	222-224	
GRI 402: Labor/management relations 2016	402-1 Minimum notice periods regarding operational changes	In case of changes in critical operations, legal notice periods are complied with.	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	80	
	403-2 Hazard identification, risk assessment, and incident investigation	62-65	
	403-3 Occupational Health Services	62-65	
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	62-65	
	403-5 Worker training on occupational health and safety	62-65, 224-225	
	403-6 Promotion of worker health	62-65	
	403-9 Work-related injuries	224-225	
	403-10 Work-related ill health	224-225	

GRI STANDARD	Declaration - Turkish	Location	Excluded
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	224	
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	55-61	
	404-3 Percentage of employees receiving regular performance and career development reviews	57	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	61	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred during the reporting period.	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	In accordance with our sustainable supply chain policy, we do not work with suppliers who may use forced or compulsory labour.	
GRI 410: Security Applications 2016	410-1 Security personnel trained in human rights policies or procedures	Human rights training is provided.	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	67-71	
	413-2 Operations with significant actual and potential negative impacts on local communities	There were no operations that could create a negative impact in this area.	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	84-85	
	414-2 Negative social impacts in the supply chain and actions taken	No negative impacts have been reported.	

UN GLOBAL COMPACT PROGRESS CHART

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Employee and Human Rights Practices Sustainable Supply Chain
Principle 2: Make sure that they are not complicit in human rights abuses	Employee and Human Rights Sustainable Supply Chain

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Employee and Human Rights Practices
Principle 4 : The elimination of all forms of forced and compulsory labor	Employee and Human Rights Practices Sustainable Supply Chain
Principle 5: The effective abolition of child labor	Employee and Human Rights Practices Sustainable Supply Chain
Principle 6: The elimination of discrimination in respect of employment and occupation	Employee and Human Rights Practices

Environment

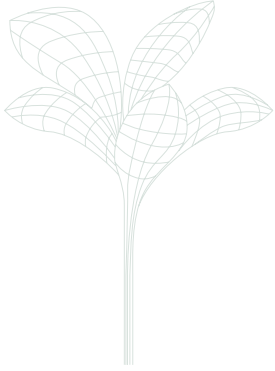
Principle 7: Businesses should support a precautionary approach to environmental challenges	Natural Resource Management
Principle 8: Undertake initiatives to promote greater environmental responsibility	Sustainability Goals
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	R&D and Innovation

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Business Ethics
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2024 INTEGRATED ANNUAL REPORT



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