



KAZANCI HOLDING

To see beyond the visible...

ANNUAL REPORT 2023



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Man cannot discover new oceans unless he has the courage to lose sight of the shore.

Andre Gide

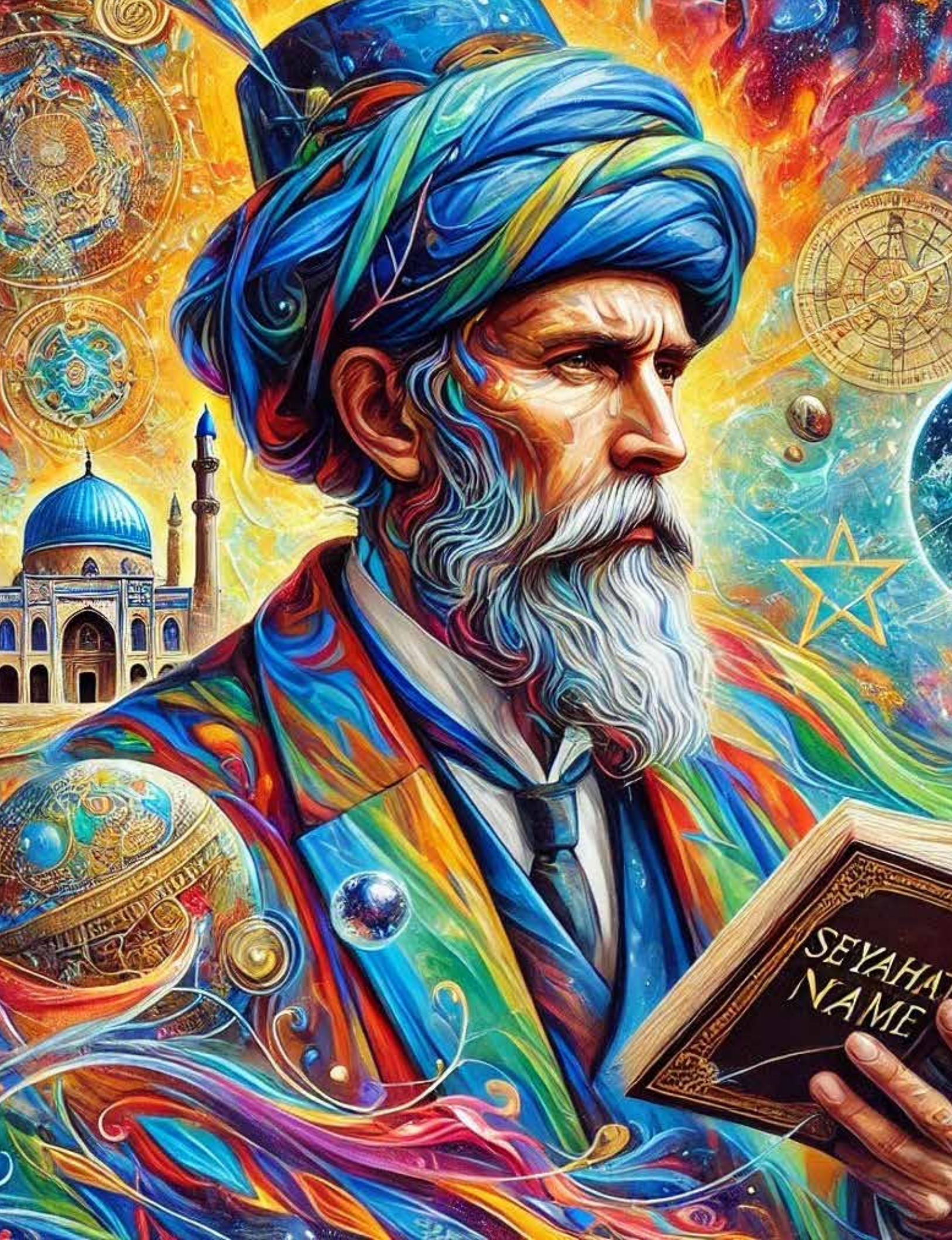
Discoveries are made by those who think differently, who dream big, and who believe that more lies beyond. In our world's journey toward the future, those who can boldly visualize beyond the visible are of vital importance.

At Kazancı Holding, we believe in reaching beyond the obvious and exploring new horizons with different business models.

Even as we cross oceans, operating in 24 countries and conducting sales in 178 countries, we continue to strive for more. In this way, we carry not only our power plants but our business, our achievements, and our trust that much further, bringing life to different places in the world through our energy.

In all the fields where we operate, we believe in possibilities. We stride on diverse paths and discover new routes to success.

We present our journey towards success and the year 2023 with inspiration drawn from those who shed light on the history of the world.





Goals are attained through unwavering progress

The traveler and writer **Evliya Çelebi**, driven by his passion for discovery, blazed a trail of relentless forward movement. For more than forty years, Çelebi journeyed across the Ottoman Empire and other lands, composing an epic 10-volume travelogue of Turkish cultural history.

At Kazancı Holding, reinforced by our visionary identity and innovative perspective, we were confident that we could emerge as a global power, particularly in the energy sector. Accordingly, we are expanding into diverse geographies through bold investments worldwide, continuing our journey of success in power generation and generators, natural gas, electricity distribution and sales, agriculture, and tourism under the Aksa brand, setting ambitious goals ahead.

KAZANCI IN THE WORLD

Sustainable goal of high growth

In alignment with its “Sustainable High Growth” strategy, Kazancı Holding attaches great importance to the geographical and resource diversity.

Manufacturing in

4

Continents

Operations in

24

Continents

Sales to

178

Countries

Aksa Energy

Türkiye, Ghana, Turkish Republic of Northern Cyprus, Congo, Madagascar, Mali, Uzbekistan, and Kazakhstan*

Aksa Natural Gas

Türkiye

Aksa Electricity

Türkiye

Aksa Power Generation

Türkiye, USA, UAE, Algeria, China, Indonesia, Ghana, South Africa, Netherlands, Iraq, UK, Kazakhstan, Kenya, Uzbekistan, Singapore, Vietnam, Sudan, and Spain

Aksa Tourism

Türkiye

Aksa Agriculture

Türkiye

*Under construction.

KAZANCI IN TÜRKİYE

Achievements befitting the Republic

Kazancı Holding continued to accomplish achievements befitting the Republic in the Centennial of the Republic.

142
TRY Billion
Turnover

20.3
TRY Billion
EBITDA

138.8
TRY Billion
Asset Size

Aksa Energy

Antalya, Bolu, Şanlıurfa, TRNC

Aksa Natural Gas

Adana, Afyon, Ağrı, Amasya, Balıkesir, Batman, Bayburt, Bilecik, Bolu, Çanakkale, Düzce, Elazığ, Giresun, Gümüşhane, Hatay, Malatya, Manisa, Mersin, Ordu, Osmaniye, Rize, Siirt, Sivas, Şanlıurfa, Tokat, Trabzon, Van

Natural gas distribution services are provided in Mustafakemalpaşa, Karacabey, and Gemlik districts of Bursa, Karadeniz Ereğli district of Zonguldak, İnönü district of Eskişehir, and Çarşamba and Terme districts of Samsun.

Aksa Electricity Group

Electricity Distribution and Retail Sales Services: Trabzon, Rize, Gümüşhane, Artvin, Giresun in Eastern Black Sea Region; Elazığ, Malatya, Bingöl, and Tunceli in Eastern Anatolia Region

Aksa Electricity Sales

Aksa Charging

Aksa Solar

Aksa Power Generation

Adana, Ankara, Antalya, Bursa, Denizli, Diyarbakır, Gaziantep, İzmir, İstanbul, Kayseri, Muğla, Samsun, Şanlıurfa, Trabzon, Tekirdağ

Aksa Tourism

Antalya, Kayseri, and Muğla

Aksa Agriculture

Samsun, Tekirdağ

ABOUT KAZANCI HOLDING

Leading companies in their sectors, achieving global success

Kazancı Holding continuously increases the lasting added value it creates for the Turkish economy with its investments, foreign currency cash flow, and employment opportunities it provides.



Founded in the 1950s, Kazancı Holding is one of the leading groups in the energy sector. Shaping its activities always based on the principles of customer satisfaction and trust during its journey exceeding half a century, the Group has become a global powerhouse through investments made all over the world with its visionary identity and innovative mindset.

Embarked upon its journey, laying the foundation for the Group companies, with Watt Electric Motor Factory in 1968, Kazancı Holding initiated its production of power generators in the 1980s, added its value chain the power plant installation and electricity generation in the 1990s, natural gas distribution in the early 2000s, and electricity distribution and sales in 2010, and achieved a unique position with its vertical and horizontal structuring in the energy sector over time.

Owing to its expertise and integrated service competence in the energy industry and positioned ahead of its competitor, the Group aims to grow within the sector through a long-term strategic focus and maintain its leading position. The Group continuously increases the lasting added value it creates for the Turkish economy with its investments in agriculture and tourism sectors in addition to energy, as well as foreign currency cash flow and employment opportunities it creates.

178

Number of Countries of Sale

Today, Kazancı Holding is a global actor with production facilities on 4 continents, more than 10 thousand employees and operations in 24 countries, and performs sales to 178 countries around the world.

The subsidiaries of the Holding are among the leading companies in their respective fields due to their achievements.

Of the companies operating under the brand Akşa:

Building and operating power plants in Türkiye and abroad, **Akşa Energy** is Türkiye's biggest independent power producer listed on the stock exchange. Taking firm steps toward globalization since 2015, Akşa Energy operates in 7 countries with power plants located in Türkiye, Turkish Republic of Northern Cyprus, Ghana, Madagascar, Mali, Congo, and Uzbekistan along with its power plant investments under construction in Kazakhstan, Senegal, Ghana, and Uzbekistan. Akşa Energy's shares are traded on BIST 100, BIST Electricity, BIST Sustainability, BIST Corporate Governance, BIST Participation, MSCI Small Cap, and FTSE Emerging Europe Mid-Cap Indices.

Akşa Natural Gas provides services to a population of about 174 million and 6.8 million potential subscribers. The company safely operates a 44,690 km network infrastructure in 27 provinces, 298 districts and towns with 175 offices and under 21 distribution licenses. Operating in Türkiye's widest geographical distribution area, Akşa Natural gas is the country's biggest private natural gas distribution company, distributing 9.7 billion m³ of natural gas and boasting a 20.7% market share.

Through its electricity distribution and retail sales companies operating across 9 provinces and 101 districts in Türkiye, **Akşa Electricity** meets the electricity requirements of approximately 4 million people with quality and uninterrupted service.

Çoruh and Fırat Electricity Distribution Companies distribute 6.21 billion kWh of energy annually to nearly 4 million people across 9 cities in their service regions, utilizing a distribution line long enough to encircle the Earth 3 times.

Akşa Çoruh and Akşa Fırat Electricity Retail Sales Companies provide electricity retail sales services to a total of 2.5 million consumers in 9 provinces and 101 districts with the goal of achieving a high level of customer satisfaction.

The leader of the Turkish power generator market, **Akşa Power Generation** is among Türkiye's biggest exporters. Operating with 19 sales offices in Türkiye as well as 23 overseas offices across Asia, Europe, Africa, and America, Akşa Power Generation is among the top 5 power generator manufacturers in the world.

Akşa Tourism established the Mirada Hotels & Resorts brand in 2005 with the vision of being at the leading position in the sector. The company has a total of 4 hotels in its portfolio; Mirada Del Mar in Antalya, Mirada Del Lago and Mirada Del Monte in Erciyes, and Mirada Exclusive Bodrum in Bodrum.

Mirada Hotels & Resorts has an important position in summer and congress tourism with the 5-star Mirada Del Mar Hotel in Göynük, Antalya, while the Mirada Del Lago Hotel on Mount Erciyes is making successful strides in winter tourism. Upgraded from a 4-star to a 5-star rating in 2021, Mirada Del Lago Hotel stands as a testament to Kazancı Holding's commitment to first-class accommodation. Mirada Exclusive Bodrum, which brought a new dimension to the Mirada Hotels & Resorts chain, brought a new perspective to the sector with its innovative concept in 2022. By expanding its operations with the new facility, the Company aims to provide a wider variety of accommodation experiences that exceed the expectations of its guests.

Since 2005, **Akşa Agriculture** has been positioning itself among the leading companies in the fields of livestock, dairy farming, fruit horticulture and field crops with the corporate structure it has introduced to the agricultural sector. The Company operates its two farms in Samsun and Tekirdağ at EU standards.

| Shareholding Structure | Number of Shares | % |
|------------------------|--------------------|---------------|
| Ş. Cemil Kazancı | 66,911,492 | 60.28 |
| Ali Metin Kazancı | 32,200,008 | 29.01 |
| Mehmet Kazancı | 6,531,250 | 5.88 |
| Tülay Kazancı | 5,356,250 | 4.83 |
| Necati Baykal | 1,000 | 0.00 |
| Total | 111,000,000 | 100.00 |

ABOUT KAZANCI HOLDING



Aksa Energy

Region of Operation

- Active power generation activities with investments in Türkiye, Turkish Republic of Northern Cyprus, Uzbekistan, Ghana, Madagascar, and Congo, and a power plant investment under construction in Kazakhstan, Uzbekistan, Ghana, and Senegal

Competitive Advantages

- Over 25 years of experience in the energy sector
- Global reach through regional expertise
- Fast, flexible and sustainable power generation solutions
- Geographically diversified portfolio
- Sustainable vision of high growth
- Robust business model



Aksa Natural Gas

Region of Operation

- Natural gas distribution in 27 provinces and 298 districts and towns across Türkiye

Competitive Advantages

- Türkiye's biggest private natural gas distribution company
- The company providing services to the biggest geographical distribution area in Türkiye
- Natural gas distribution operations in 21 license regions out of a total of 75 in Türkiye
- 20.7% market share



Aksa Electricity

Region of Operation

- Customer satisfaction-driven electricity distribution and retail services to a population of approximately 4 million in 9 provinces in Türkiye.

Competitive Advantages

- Electricity supply and distribution in 9 provinces, 101 districts, and 3,528 villages
- License regions with lower loss/theft ratios than the targets set by EMRA
- 91 Customer Service Centers
- A broad service network across Türkiye
- Innovative, environmentally friendly and alternative energy solutions

35 TRY Billion
Turnover

49.7 TRY Billion
Turnover

53.8 TRY Billion
Turnover

11
Active Power Plants

20.7%
Market Share

In 9 provinces
Electricity Distribution and
Retail Services

2,756 MW
Total Installed Capacity

4.9 Million
Number of Subscribers

6.21 TWh
Electricity Distribution
Volume



Aksa Power Generation

Region of Operation

- Production across 4 continents, sales to 178 countries

Competitive Advantages

- Power generator production facility with the world's biggest production capacity
- Leader of the Turkish power generator market and among the world's top 5 power generation companies
- The first Turkish power generator company to manufacture in the USA
- The only power generator company with the accolade of the Turquality brand
- Türkiye's first power generator manufacturer with sales on its own e-commerce website
- Power generator sets suitable for data center use approved by the Uptime Institute
- Increasing market share and field of activity in Europe with Dagartech majority share acquisition
- The Çerkezköy Plant received "Zero Waste Certificate" from the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye

395 USD Million
Net Sales

Operations in
5
Continents

23
Overseas Offices



Aksa Tourism

Region of Operation

- Antalya, Kayseri, and Muğla

Competitive Advantages

- A wide seasonal presence with summer, winter and congress tourism
- Establishing a shared pool of staff for 4 hotels and facilitating year-round staff rotation
- Serving a broad customer base with five-star hotels
- High number of overnight stays with a capacity of 1,982 beds
- Completion of the investment plan for the second phase of Mirada Exclusive Bodrum hotel

4.7 TRY Billion
Turnover of Aksa Agriculture, Aksa Tourism, and Others

4
Hotels

1,982
Bed Capacity



Aksa Agriculture

Region of Operation

- Tekirdağ and Samsun

Competitive Advantages

- Amongst the top 10 farms in Türkiye in cattle breeding and milk production
- EU-compliant production

18,000
Cattle Capacity

20,207 Tons
Milk Production

OUR MISSION, VISION, VALUES AND GUIDING PRINCIPLES

Mission

We produce reliable, sustainable, and value-adding energy solutions.

Vision

To become one of the world's leading energy solution partners.

Our Values

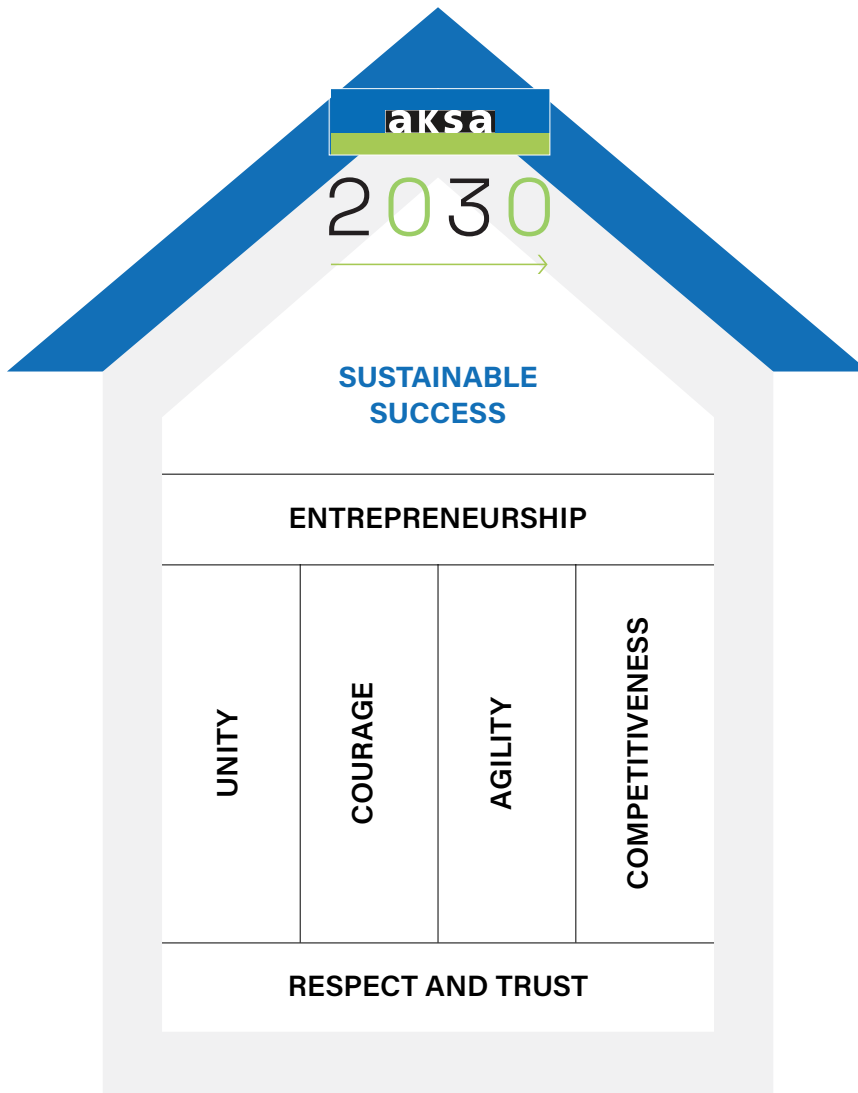
Since its founding in the 1950s, Kazancı Holding has strived to offer reliable and high-quality products and services. The trust our stakeholders place in our brand has driven our aspiration to achieve better each day and to continuously expand the value we create.

Forming the basis of our corporate culture, our values have been shaped in light of us over a half-century of experience. We did not simply establish values and follow them. Instead, we embraced what nurtured us, what brought us together toward shared goals, what moved us forward to where we are today, and what shall keep us together in the future. These experiences helped form Kazancı Holding's values.

Our corporate values incorporate all the elements of our vision and mission statements, which serve as a compass for the Company. Kazancı Holding's values also define our culture, our ways of doing business and our future objectives. As we unified employees from diverse cultures, countries and backgrounds under the umbrella of Aksa values, we have based our competencies on these values.

Our Values and Principles

Our core values are at the heart of our competencies:



Our priority is respect and trust:

We value all earthly beings and respect nature, society, and individuals, sincerely and unconditionally. Mutual trust is our priority in all our relationships.

Entrepreneurship is part of our spirit:

We evaluate new ideas and new opportunities together, take measurable risks, and cross boundaries. We continue our struggle with patience and determination until we achieve our goals.

We begin each day to be successful:

No matter where we are in the world, we begin each day with to write a new success story.

We exist together:

We aim to achieve the highest value together with all our stakeholders to create a better future. Because we exist together.

We act with courage:

We confront challenges with courage and creativity, striving to build a long-term vision and bring our dreams to life.

Being agile pays off:

In the face of different opportunities or developments, we finish our work in an agile and meticulous way, with an eye for detail.

We believe in the enhancing effect of competition:

We thrive on fair and competitive environments and draw on the enhancing power of competition as we move forward.

KAZANCI HOLDING IN FIGURES

Robust financial infrastructure, strong targets

With its robust financial infrastructure, Kazancı Holding carried out successful operations in 2023.

Summary Financial Statements

| TRY Million | 2022 | 2023 |
|----------------------------|---------|---------|
| Total Assets | 133,045 | 138,771 |
| Current Assets | 48,796 | 42,755 |
| Fixed Assets | 84,249 | 96,016 |
| Total Liabilities | 133,045 | 138,771 |
| Short-Term Liabilities | 52,730 | 49,453 |
| Long-Term Liabilities | 37,847 | 34,034 |
| Total Shareholders' Equity | 42,468 | 55,283 |

| TRY Million | 2022 | 2023 |
|------------------|---------|---------|
| Turnover | 189,345 | 142,082 |
| Gross Profit | 22,099 | 18,215 |
| Operating Profit | 19,580 | 13,817 |
| EBITDA | 24,943 | 20,326 |
| Net Profit | 12,057 | 14,298 |

Assets (TRY Million)

| | |
|------|---------|
| 2022 | 133,045 |
| 2023 | 138,771 |

4%
growth

Turnover (TRY Million)

| | |
|------|---------|
| 2022 | 189,345 |
| 2023 | 142,082 |

-25%
change

EBITDA (TRY Million)

| | |
|------|--------|
| 2022 | 24,943 |
| 2023 | 20,326 |

-19%
change

Gross Profit (TRY Million)

| | |
|------|--------|
| 2022 | 22,099 |
| 2023 | 18,215 |

-18%
change

Operating Profit (TRY Million)

| | |
|------|--------|
| 2022 | 19,580 |
| 2023 | 13,817 |

-29%
change

Net Profit (TRY Million)

| | |
|------|--------|
| 2022 | 12,057 |
| 2023 | 14,298 |

19%
growth

MILESTONES

Solid steps toward 2030 targets

Kazancı Holding aims to become a group that serves all elements in the global energy ecosystem, in particular renewable energy, and actively generates value.

1950

- Kazancı Holding's commercial foundations were established by the founder Mr. Ali Metin Kazancı.

1968

- Watt Elektrik Motor was established to serve as the foundation for the initiatives constituting the AKSA companies.

1984

- Mass production of the first power generator models started.

1994

- Kazancı Holding A.Ş. was founded.
- Akxa Power Generation Istanbul factory was inaugurated.

1997

- Akxa Enerji Üretim A.Ş. was founded.
- Akxa Power Generator's first overseas office was inaugurated in Singapore.

2002

- The Group entered the natural gas distribution sector.

2003

- Northern Cyprus Kalecik Combine Cycle Power Plant started production operations.

2004

- Akxa Natural Gas received its first natural gas distribution license.
- Akxa Agriculture commenced commercial operations.
- Akxa Tourism's first hotel Mirada Del Mar Hotel launched operations.

2007

- All natural gas operations of the Holding were consolidated under the Akxa Natural Gas brand.
- The number of Akxa Natural Gas subscribers reached 100 thousand.
- Akxa Power Generation's first factory in China was inaugurated.
- Mirada Del Lago Hotel and Mirada Del Monte Hotel launched operations.

2008

- Akxa Energy Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant initiated electricity production.

2010

- Akxa Energy's IPO took place.
- Çoruh and Fırat electricity distribution regions were deployed, marking the first entry into the electricity distribution industry.
- Akxa Energy's Şanlıurfa Natural Gas Combined Cycle Power Plant launched electricity production.
- The number of Akxa Natural Gas subscribers reached 500 thousand.

2012

- Akxa Power Generation inaugurated its plant in China, which has the world's highest production capacity.
- The mains of Akxa Natural Gas reached 10,000 km.

2013

- Akxa Power Generation's factory in the USA was inaugurated.
- Akxa Natural Gas reached 1 million subscribers.

2015

- Akxa Energy's lignite power plant, Bolu Göynük Thermal Power Plant, initiated electricity production.
- Akxa Energy joined the BIST Sustainability Index.

2016

- Akxa Natural Gas mains length reached 20,000 km and the number of subscribers reached 2 million.
- Akxa Natural Gas won EMRA's first energy tender conducted in Turkish lira for the distribution of natural gas in Ağrı provincial center and Doğubayazıt district.

2017

- Akxa Energy's power plants started production in Ghana, Madagascar, and Mali.



2018

- Akxa Power Generation's Miami and Uzbekistan sales offices were inaugurated.
- The number of districts and towns where Akxa Natural Gas operates has reached 180.
- One out of every 4 families in Türkiye is a subscriber to Akxa Natural Gas.

2019

- Akxa Natural Gas reached 3 million subscribers.
- Akxa Power Generation established a joint venture with Mitsubishi to produce high-tech power generators.

2020

- Akxa Energy concluded an agreement with the Ministry of Energy of Uzbekistan for the establishment of a natural gas combined cycle power plant with an installed capacity of 240 MW in Tashkent.
- Akxa Energy signed an agreement to build a second natural gas combined cycle power plant with an installed capacity of 230 MW in Tashkent and a third natural gas combined cycle power plant with an installed capacity of 270 MW in Bukhara.
- Akxa Power Generation established its brand new trade center in Rotterdam, NL.
- The length of mains of Akxa Natural Gas reached 30,000 km.

2021

- Akxa Energy won the tender for the 3 solar energy plants, with a capacity of 35 MW in total, in Bingöl, Yozgat, and Kırşehir.
- Akxa Energy performed its pilot test production in Uzbekistan.
- Akxa Power Generation relocated its Türkiye production facility to its new plant in Çerkezköy, Tekirdağ.
- Kazancı Holding partnered with SAP and undertook one of the most extensive digital trans-formation projects in energy industry.

2022

- Akxa Energy ranked among Türkiye's 30 most valuable publicly traded companies.
- The number of Akxa Natural Gas subscribers reached approximately 4,5 million.
- Akxa Power Center (APC) opened a new office in New Jersey, USA. Akxa Power Generation also continued to expand its sales and service network by opening offices in Kenya and Su-dan.
- Mirada Bodrum Exclusive Hotel started its operations.

2023

- Akxa Energy signed an agreement for the establishment of a new natural gas combined cycle power plant with an installed capacity of 350 MW in Kumasi, Ghana, and the guaranteed sales of the electricity produced at the plant in US dollars for 20 years.
- Akxa Energy signed an agreement for the establishment of a new natural gas combined cycle power plant with an installed capacity of 430 MW in Talimarjan, Uzbekistan, and the guaranteed sales of the electricity produced in US dollars for 25 years.
- Akxa Energy obtained preliminary licenses for wind and solar power plants with integrated storage, with a total capacity of 831.41 MW, in 8 cities in Türkiye.
- Akxa Natural Gas' natural gas distribution network, spanning 40,000 kilometers, is long enough to encircle the Earth.
- Akxa Natural Gas ranked 39th in the Fortune 500 "Türkiye's Biggest Companies" list.
- Akxa Natural Gas received the "Consumer Satisfaction Company of the Year Award" from the Ministry of Trade.
- In September 2023, Akxa Power Generation acquired the majority of the shares of Spanish power generator manufacturer Dagartech.
- Akxa Electricity climbed 37 steps and ranked 130th in the Fortune 500 ranking including Türkiye's 500 biggest companies.

MESSAGE FROM THE HONORARY CHAIRMAN

We focus on great achievements...

In our 2030 journey, we will continue to contribute to our country and the geographies in which we operate by means of our competent human resources, sectoral experience, and robust financial structure, working with a focus on the values that define us.

Esteemed Stakeholders,

In 2023, we experienced one of the most catastrophic earthquakes in our history. From the first moment, Kazancı Holding and the Aksa Group Companies mobilized all available resources to aid in the recovery efforts. We dispatched teams and resources to the region, and worked diligently to restore the living conditions disrupted by the earthquake and to support those in need. We are continuing to maintain our efforts to revitalize the region socially and economically, while providing support in areas of need. I will again take this opportunity to wish God's mercy upon our citizens who lost their lives, to pray for a swift recovery for those injured in the earthquake, and to extend my condolences to our entire nation.

We are proud to have contributed to the development of our country since our first operating day. In 2023, guided by this understanding, we worked tirelessly as one of the leading companies contributing to our country by focusing on our global expansion and sustainable high-growth objectives in the energy sector. While continuing to create value for stakeholders, both in our country and across the regions where we operate, we initiated new investments.

Operating in 24 countries and exporting to 178 countries, we are guided by our 2030 Global Strategy in expanding the power of the Aksa Group Companies in the global energy sector, shaping our new investments in alignment with this strategy. In our 2030 journey, we will continue to contribute to our country and the geographies in which we operate by means of our competent human resources, sectoral experience, and robust financial structure, working with a focus on the values that define us.

New geographies, new opportunities

Kazancı Holding and the Aksa Group Companies aim to become a global player in the energy sector, where new opportunities await. In the coming periods, we will diversify the geographies where we operate in line with our sustainable high growth target and globalization vision. As Türkiye's biggest publicly listed energy company, we aim to strengthen and maximize our corporate governance structure.

As a key step in our institutionalization efforts, we have designated the United Nations Sustainable Development Goals as a cornerstone of our 2030 strategy. As we accelerate our investments in renewable energy, we undertake activities designed to leave a sustainable future for our children.

At Kazancı Holding and the Aksa Group Companies, we act with the vision of adding value to our country in 2023, as we commemorate the 100th anniversary of our Republic. I would like to express my gratitude to all our stakeholders, particularly my more than 10,000 colleagues from North America to Africa and from Europe to Asia, who have offered their labor under all circumstances, opened doors to the future for us, and added value to the geographies in which they work, for their valuable contributions.

Best regards,

ALİ METİN KAZANCI
Kazancı Holding Honorary Chairman



MESSAGE FROM THE CHAIRMAN AND CEO

We focus on innovative projects...

Through our transformation process, we will enhance our competitiveness in the global market, achieve operational excellence, and foster our sustainable growth.

Esteemed Stakeholders,

In 2023, our country experienced a devastating earthquake. As Kazancı Holding and Aksa Group Companies, even as we faced deep sorrow and sadness in the aftermath of this natural disaster, we dedicated all our efforts to healing the wounds and tending to those affected; we delivered aid to the earthquake-affected regions and mobilized to meet the requirements of citizens impacted by the disaster. During this period, we cooperated with our colleagues in the regions of operation, collaborating with and supporting each other to overcome the challenges. With the awareness that this process will be a struggle that will take time, we will continue to work towards permanent solutions in the coming period.

A year full of success in diverse sectors

Thanks to the new projects launched in 2023, and the achievements attained, Kazancı Holding advanced in its 2030 journey, with energy companies operating in four main sectors, namely electricity generation, natural gas distribution and trade, power generator production, and electricity distribution and trade, and other companies operating in the livestock and tourism sectors.

With 11 power plants in seven countries and over 2,700 MW of capacity, Aksa Energy continued to expand its operations across borders in 2023. Acting in line with its globalization vision, Aksa Energy, the largest Turkish energy investor in Uzbekistan — the rising star of Central Asia — signed a new agreement to build and operate a natural gas combined cycle power plant with an installed capacity of 430 MW in the city of Talimarjan, taking an important step to increase its installed capacity in the country to 1,170 MW. Furthermore, we continued the installation work for the Kyzylorda Power Plant in Kazakhstan without interruption.

Delivering natural gas safely to approximately five million subscribers in 27 provincial centers and 298 districts and towns, Aksa Natural Gas received the "Company Adopting Consumer Satisfaction as a Principle" award at the 26th Consumer Awards organized by the Ministry of Trade. Through its controlled investments, the Company has achieved a significant success by reaching a network length of 45,000 kilometers — in other words, the length sufficient to encircle the Earth. I would like to extend my gratitude to all our colleagues at Aksa Natural Gas, which ranked 39th on the Fortune 500 list, thanks to its productive projects and efforts throughout the year, and to all our stakeholders who contributed.

In 2023, our company, Aksa Electricity, continued to grow in line with its innovative and sustainable vision, offering efficient and reliable energy solutions that cover the entire ecosystem — from electricity supply and renewable energy management to electric vehicle charging services and solar energy systems. We take great pride and satisfaction in witnessing our brands, operating across nearly all areas of energy, implementing their long-term projects.

We concluded a busy and successful year at the Çoruh and Fırat Electricity Distribution companies, offering electricity distribution services to approximately four million subscribers. Following the earthquake that struck Malatya, one of the cities within the responsibility area of Fırat EDAŞ, we mobilized our workforce and worked tirelessly day and night to support the people of the region. We dedicated around-the-clock efforts at full capacity to ensure an uninterrupted electricity supply; and we supported our community by establishing the "Malatya Life Center" in the container city in Malatya, providing various facilities to help residents maintain their connection to social life.



MESSAGE FROM THE CHAIRMAN AND CEO

Maintaining my belief that we, as the Kazancı Holding Family, will achieve even greater success in the future, I am pleased to be advancing toward our goals.

Çoruh EDAŞ continued to serve more than 1.5 million subscribers in five provinces, 61 districts, and 1,529 villages in its distribution area of approximately 30,000 square kilometers. In the Eastern Black Sea Region, we successfully managed many crises together by taking quick action in adverse and challenging weather conditions such as heavy snowfall and flooding. I sincerely congratulate our teams for their determined, diligent, and devoted efforts in tough weather conditions.

“Zero Waste” certification for Aksa Power Generator

At Aksa Power Generation, we once again achieved industry-leading successes this year, making steady progress toward our goal of ranking among the top three power generator companies in the global market. To this end, in September 2023, we acquired the majority of the shares of Spanish power generator manufacturer Dagartech. By means of this investment, we aim for stronger and more effective growth in the global power generator market, especially in Europe. Moreover, in 2023, our new facility in Houston, USA, started its operations and, in 2024, we aim to initiate power generator production. Furthermore, the Company, working on waste management for a sustainable future, was awarded the “Zero Waste Certificate” by the Ministry of Environment, Urbanization, and Climate Change, recognizing its successful waste management policy at the plant in Çerkezköy.

Offering services at Mirada Exclusive Bodrum, Antalya Mirada Del Mar Hotel, Kayseri Mirada Del Lago Hotel, and Mirada Del Monte Hotel, with a total bed capacity of 1,982, Aksa Tourism maintains its annual investments in accordance with guest expectations and aims to expand its bed capacity in line with opportunities that can arise in the medium term. We also provided accommodation at our hotels in Kemer and Erciyes for our colleagues and their families who were affected by the February earthquake. I consider the support of these valuable facilities in these challenging times as precious as their contribution to tourism.

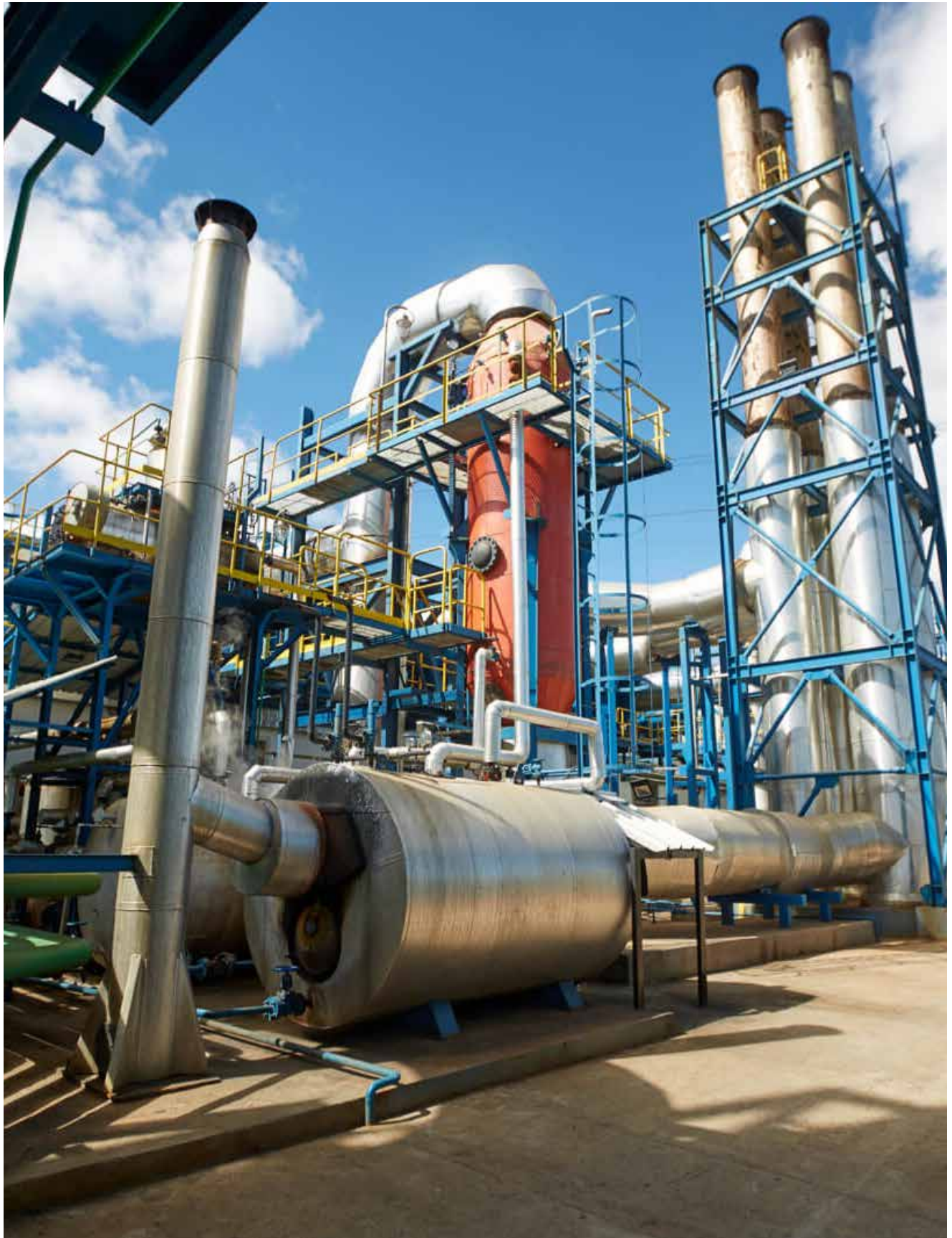
The new target for Aksa Agriculture at its İnanlı farm, among the top 10 major milk producers in Türkiye, is to rank among the top three producers. We continued to expand into new areas by way of our investments in the Samsun Gelemen farm and we aim to maintain this growth momentum in 2024. We plan to establish a study program in collaboration with expert instructors actively serving at leading national universities, especially those in the field of dairy farming.

In addition to these developments, our transformation journey proceeds within our corporate structure. As part of our 2030 Global Strategy, we included new technologies and business models in our investment plans. In line with our corporate transformation targets, we are taking the necessary steps to create a streamlined, agile, and robust organizational structure with a functional and uncompromising approach. Through this transformation process, we will enhance our competitiveness in the global market, achieve operational excellence, and foster our sustainable growth.

Believing that success is a journey, not a destination, I would like to extend my heartfelt thanks to all my colleagues around the world who have embarked on this journey with me, as well as to all our stakeholders who have contributed to our progress. We look forward to 2024 with hope, thanks to our unwavering energy, and we stride into a year filled with new projects and goals. Maintaining my belief that we, as the Kazancı Holding Family, will achieve even greater success in the future, I am pleased to be advancing toward our goals.

Best regards,

CEMİL KAZANCI
Chairman of the Board of Directors and
CEO



BOARD OF DIRECTORS



ALİ METİN KAZANCI **Chairman**

Ali Metin Kazancı's professional career has begun in 1950. Ali Metin Kazancı, who laid the foundations of Kazancı Holding in this period, established the Watt Electric Motor Factory in 1968, which serves as the foundation of the initiatives constituting the Group Companies. Thanks to his successful ventures, Ali Metin Kazancı established various enterprises in the energy sector starting from 1983. In 1994, he consolidated these companies under the umbrella of Kazancı Holding. Ali Metin Kazancı continues to serve as Kazancı Holding's Chairman of the Board of Directors.



CEMİL KAZANCI **Deputy Chairman and CEO**

Cemil Kazancı began his professional career working in Kazancı Group companies (family owned company). His first managerial position was in generator manufacturing and sales. He subsequently played an active role in the formation of Aksa Energy, which was set up to expand the Group's operations in the energy industry and to generate electricity starting from 1997. In addition to his duties as the Chairman of the Board of Directors and CEO of Aksa Energy, he is the Deputy Chairman and CEO of Kazancı Holding and a Member of the Board of Directors in Group companies.



ÖMER MUZAFFER BAKTIR **Deputy Chairman**

Ömer Muzafer Baktır graduated from Istanbul Technical University, Department of Mining Engineering in 1986. He started his professional career at Pamukbank. He served as Executive Vice President of Credits and Marketing at Halk Bank, CFO at Cengiz Holding, Member of the Executive Board of the Group's electricity distribution companies, and Deputy General Manager in charge of Marketing and Transformation at Ziraat Bank, respectively and he further served in the supervisory and boards of directors of various foreign companies of the same organization. Between 2017 and 2018, he served as the Chairman of the Board of Directors at Erdemir Group. Since February 5, 2018, he has been serving as the Deputy Chairman of the Board of Directors of Kazancı Holding, and is also the Chief Executive Officer of Aksa Power Generator and a Member of the Executive Board of Aksa Energy and Kazancı Holding.



NACİ AĞBAL
Deputy Chairman

Born on January 1, 1968, in Bayburt, Naci Ağbal graduated from Istanbul University, Faculty of Political Sciences, Department of Public Administration. Mr. Ağbal completed his master's degree in Business Administration General Business Management (MBA) Program at the University of Exeter, UK. He served as Inspector, Deputy Chairman of the Inspection Board, and Head of Department at the General Directorate of Revenues at the Ministry of Finance. Mr. Ağbal, who served as the General Directorate of Budget and Financial Control between 2006 and 2009 and as the Undersecretary of the Ministry of Finance between 2009 and 2015, served as a Board Member of TÜPRAŞ between 2004 and 2006, as a Board Member of PETKİM A.Ş. in 2006, as a Board Member of Turkish Airlines (THY) A.Ş. between 2006 and 2015, and as a Board Member of Vakıf Katılım Bankası A.Ş. between 2018 and 2021. Serving as a member of the Council of Higher Education between 2008 and 2015 and then between 2018 and 2020, Naci Ağbal was a member of the Board of Trustees of International Ahmed Yesevi University between 2008 and 2015 and a member of the Council of Turkish-Japanese Science and Technology University between 2019 and 2020. Mr. Ağbal, who served as an MP for the 25th and 26th terms in the Turkish Grand National Assembly, also was the Minister of Finance of the 64th and 65th Governments. Served as the Chairman of the Presidential Strategy and Budget between 2018 and 2020, Mr. Ağbal was further in charge as the Governor of the Central Bank between November 2020 and March 2021. Naci Ağbal has been serving as Deputy Chairman of the Board of Directors of Kazancı Holding since July 2022, Deputy Chairman of the Board of Directors of Aksa Energy since July 2022, and Deputy Chairman of the Board of Directors of Aksa Natural Gas since May 2023.



TÜLAY KAZANCI
Board Member

Tülay Kazancı, who is a Member of the Board of Directors of Kazancı Holding, has also been a Member of the Board of Directors of Aksa Enerji Üretim A.Ş. since April 2010. In addition to these positions, she is also a Member of the Board of Directors at Aksa Aksen Enerji Ticareti A.Ş.



BARIŞ ERDENİZ
Board Member

Barış Erdeniz graduated from Doğuş College and completed his undergraduate studies in International Trade and Business Management at Yeditepe University in 2010. Mr. Erdeniz started his professional career as Business Development Director at Turmak Makina. He entered the energy sector through a company he founded in 2013 to operate in Electricity Sales. In 2014, he joined Kazancı Holding as a Management Consultant through the Erdeniz Management Consultancy company he founded, and in this position, he has carried out many successful projects contributing to the Holding's business processes in the fields of organizational development, operational efficiency and digital transformation, and has been assigned and appointed as a Member of the Board of Directors of Kazancı Holding as of August 2017. Mr. Erdeniz has spearheaded investments in operational excellence and digitalization across various departments at the Holding, including Human Resources, Information Technologies, Supply Chain, Law and Audit since 2017 and meanwhile, he is in charge of for the Electricity, Agriculture and Tourism operations of Kazancı Holding. Assigned as the Executive Committee Member of Aksa Energy as of January 2021, Barış Erdeniz still holds the offices of Executive Committee Member of Kazancı Holding and Aksa Power Generation and the Chairman of the Executive Board of Aksa Electricity.

It all starts with daring

Ferdinand Magellan embarked on his first sea voyage in 1505. In 1520, he discovered the strait that now bears his name. Driven by a passion for seafaring and geography, he believed that eastern countries could be reached by sailing westward. His courage and determination not only led to the discovery of the Pacific Ocean but also proved the Earth's roundness through exploration.

We began energy production in Türkiye, and this experience showed us the potential to expand globally. The TRNC became the first stop on the map for Aksa Energy, the Turkish company making the largest global investments in its field. After entering the African markets, Aksa Energy expanded further into Central Asia, spearheading sector leadership with significant investments, particularly in Uzbekistan. Moreover, the Company is advancing green transformation efforts with its storage-based wind and solar power projects, set to deliver an installed capacity of 831.41 megawatts across 8 cities in Türkiye.





AKSA ENERGY

Different geographies, new investments

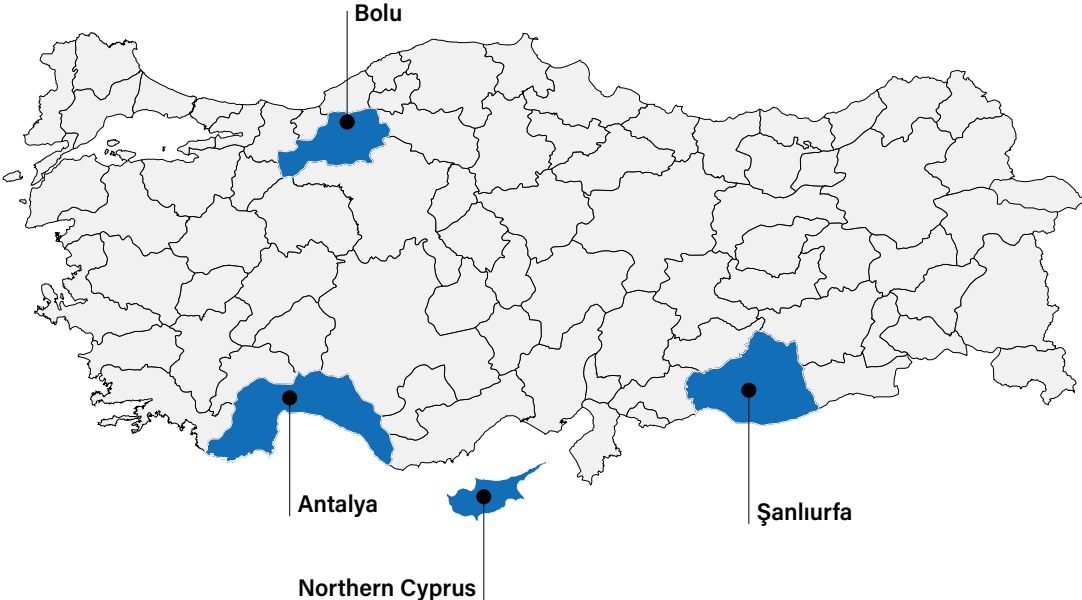
Aksa Energy aims to expand its global service network further and closely monitors new investment opportunities in all geographies with energy requirements.

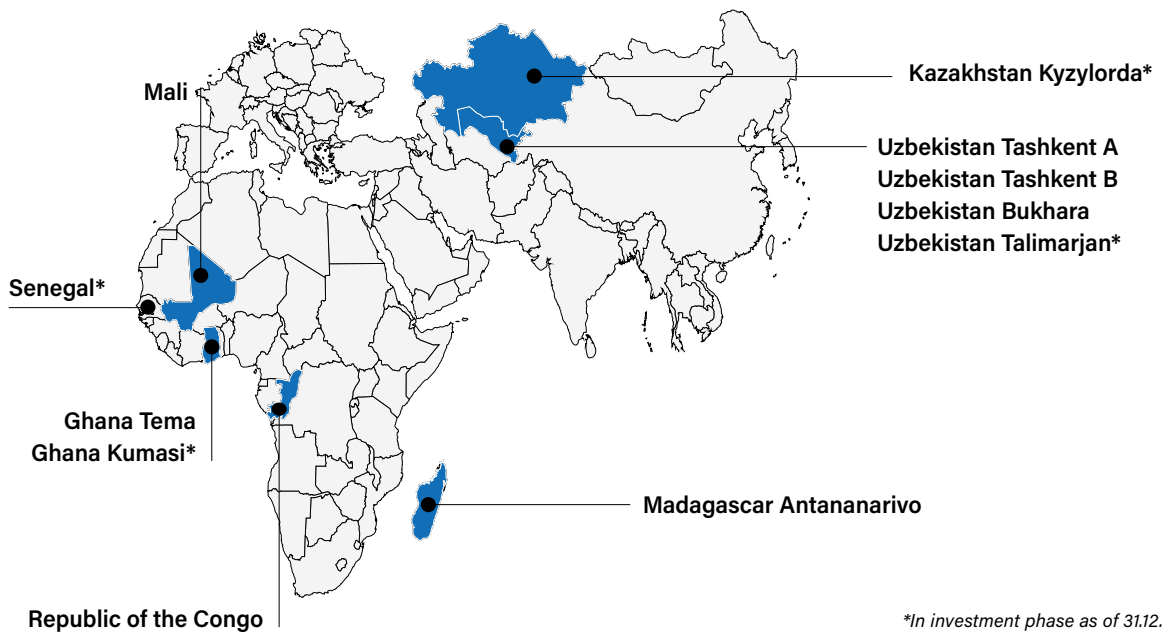
7.9
TRY Billion
EBITDA

35.2
TRY Billion
Turnover

2,756 MW
Total Installed
Capacity

Energy Generation





AKSA ENERGY

Aksa Energy has built and operated more than 40 power plants using various energy sources to date, including coal, fuel oil, biogas, natural gas, wind, solar, and hydroelectricity.

5.5
TRY Billion
Net Profit of the
Parent Company

Established in 1997, the Company is the biggest publicly traded independent power producer in Türkiye, which is proceeding swiftly towards globalization, with its 11 active power plants in Türkiye and abroad. Aksa Energy performs all steps in power plant installation –in-house – from project development to procurement, construction and physical installation – with its highly skilled technical teams. The Company has built and operated more than 40 power plants using various energy sources to date, including coal, fuel oil, biogas, natural gas, wind, solar, and hydroelectricity. Taking its experience in this field abroad with power plant installations in countries that have urgent energy requirements, Aksa Energy provides fast and reliable solutions in energy generation.

In line with this strategy, Aksa Energy has transformed from a local energy firm into a global producer with its power plants in Türkiye, Turkish Republic of Northern Cyprus, Ghana, Madagascar, Congo, Uzbekistan, and Mali. The Company has undertaken major investments overseas on its globalization journey that it embarked on in 2015. Consolidating its presence in Africa with guaranteed energy sales agreements in foreign currency, Aksa Energy penetrated into the Asian market with Uzbekistan in 2020 and with Kazakhstan in 2022. The Company aims to expand its global service network further and closely monitors new investment opportunities in all geographies with energy requirements.

Aksa Energy's shares, 20.58% of which are publicly traded, are traded on BIST 100, BIST Electricity, BIST Sustainability, BIST Corporate Governance, BIST Participation, MSCI Small Cap, and FTSE Emerging Europe Mid-Cap Indices under the ticker symbol AKSEN.

| Power Plant | Installed Capacity |
|-----------------|--------------------|
| Antalya | 900 MW |
| Bolu, Göynük | 270 MW |
| Şanlıurfa | 147 MW |
| Northern Cyprus | 153 MW |
| Tashkent A | 240 MW |
| Tashkent B | 230 MW |
| Bukhara | 270 MW |
| Ghana | 370 MW |
| Madagascar | 66 MW |
| Mali | 60 MW |
| Congo | 50 MW |
| Total | 2,756 MW |

| Number of Power Plants with Ongoing Investments by the End of 2023 | |
|--|-----------------|
| Kazakhstan - Kyzylorda | 240 MW |
| Uzbekistan - Talimarjan | 430 MW |
| Ghana - Kumasi | 350 MW |
| Senegal | 255 MW |
| Total | 1,275 MW |

7.9
TRY Billion
EBITDA



*Antalya Natural Gas
Combined Cycle Power Plant*

900 MW
Installed Capacity



*TRNC Heavy Fuel Oil
Power Plant*

153 MW
Installed Capacity



*Şanlıurfa Heavy Fuel Oil
Power Plant*

147 MW
Installed Capacity



*Bolu, Göynük Thermal
Power Plant*

270 MW
Installed Capacity



*Republic of Congo Natural
Gas Power Plant*

50 MW
Installed Capacity



*Ghana Heavy Fuel Oil
Power Plant*

370 MW
Installed Capacity



*Mali Heavy Fuel Oil
Power Plant*

60 MW
Installed Capacity



*Madagascar Heavy Fuel Oil
Power Plant*

66 MW
Installed Capacity

*Uzbekistan Natural
Gas Combined
Cycle Power
Plants*



Tashkent A

240 MW
Installed Capacity



Tashkent B

230 MW
Installed Capacity



Bukhara

270 MW
Installed Capacity

AKSA ENERGY

In 2023, Akxa Energy continued its successful projects and received many national and international awards.



DEVELOPMENTS IN 2023

Akxa Energy Increases its Installed Capacity in Ghana to 720 MW

Akxa Energy Company Ghana Limited, a subsidiary of Akxa Enerji Üretim A.Ş., signed an energy sales agreement on April 6, 2023, with the Electricity Company of Ghana for the establishment of Kumasi combined cycle natural gas power plant with an installed capacity of 350 MW, electricity generation and guaranteed sales of the electricity produced for 20 years in US dollars. The first phase of the Kumasi Combined Cycle Natural Gas Power Plant is planned to be completed in 2025 and the second phase is planned to be commissioned in 2026. With this new power plant, the Company will add 350 MW to its existing installed capacity of 370 MW in Ghana, reaching a total installed capacity of 720 MW in the country.

Akxa Energy's Investments in Africa Received an Award From President Erdoğan

4th Türkiye-Africa Business and Economic Forum, which was attended by President Recep Tayyip Erdoğan, President of the Union of the Comoros and Chairman of the African Union Azali Assoumani, Minister of Trade Prof. Ömer Bolat and President of the Foreign Economic Relations Board (DEİK) Nail Olpak, as well as nearly 4 thousand business people from 53 countries, especially from Africa, was held at the Istanbul Congress Center on 12-13 October with the motto "Paving the Way for Opportunities and Stronger Economic Cooperation." Cemil Kazancı, Chairman and CEO of Akxa Energy, attended the forum on behalf of Akxa Energy, Türkiye's biggest publicly held global electricity producer, which operates 11 power plants in 7 countries around the world. Akxa Energy has been powering Africa since 2017 with its installed capacity in Ghana, Mali, and Madagascar. Kazancı was honored by President Erdoğan for his contributions to the development of the African continent.

1,170 MW

Uzbekistan Total Installed Capacity Target

255 MW

Senegal Installed Capacity Target

New Investment by Aksa Energy in Uzbekistan

Aksa Energy signed a 25-year agreement in US dollars with NEGU (National Electric Grid of Uzbekistan), affiliated with the country's Ministry of Energy, for the investment of a natural gas combined cycle power plant with an installed capacity of 430 MW in Talimarjan, Uzbekistan, one of the most important economies in Central Asia. With this contract, Aksa Energy, which has been conducting commercial production at three power plants with a combined installed capacity of 740 MW in Tashkent and Bukhara since the first quarter of 2022, has taken an important step to increase its installed capacity in the country to 1,170 MW with the addition of the 430 MW Talimarjan power plant, which will be established and operated by the Company.

Cemil Kazancı Was Awarded the "Order of Friendship"

Cemil Kazancı, Chairman and CEO of Aksa Energy, was awarded with the Order of Friendship by President of Uzbekistan Shevket Mirziyoyev for his contributions to the development of economic cooperation between Uzbekistan and Türkiye as well as for his support to the country through energy investments. The Order of Friendship was presented to Kazancı at a ceremony in Ankara by Deputy Prime Minister and Minister of Economy and Finance of Uzbekistan Jamshid Kuchkarov on behalf of Shavkat Mirziyoyev. At the ceremony, Cemil Kazancı, Chairman and CEO of Aksa Energy, was thanked for his contributions to the economic and technological development of Uzbekistan, as well as for his support to the development of diplomatic cooperation between the two countries.

Aksa Energy Will Build a Natural Gas Combined Cycle Power Plant in Senegal

NDAR Energies SA, a subsidiary of Aksa Global Investments BV (one of the group companies of Aksa Energy) will initiate investments for the financing, establishment, operation, and ownership of a natural gas combined cycle power plant with an installed capacity of 255 MW in the city of Saint Louis, Senegal. Aksa Energy announced on the Public Disclosure Platform (PDP) that NDAR Energies SA is currently a party to the 25-year euro-indexed contract signed with Senelec, the electricity institution of the Republic of Senegal and that the electricity generated at the power plant to be established under this contract will be sold to Senelec for 25 years at a guaranteed euro-indexed price.

Aksa Energy Boosts its Capacity in the TRNC

A lease and operation agreement based in US dollars was signed between Aksa Energy and Cyprus Turkish Electricity Authority (KIB-TEK) for the lease and operation through service procurement of Kalecik Combined Cycle Heavy Fuel Oil Power Plant located in the Turkish Republic of Northern Cyprus (TRNC) by KIB-TEK for 15 years.

Aksa Energy Continues to Rise in Fortune 500

Aksa Energy, Türkiye's biggest publicly held electricity producer, climbed 16 steps and ranked 31st among Türkiye's top 500 companies, thanks to its investments in 11 power plants in 7 countries, global growth, and increased foreign currency-based revenues.

Aksa Energy in Figures

| Consolidated (TRY Million) | 2022 | 2023 | Change (%) |
|-------------------------------|--------|--------|------------|
| Turnover | 87,102 | 35,172 | -60% |
| Parent Company's Profit/Loss | 5,581 | 5,496 | -2% |
| Assets | 55,204 | 55,806 | 1.1% |
| Shareholders' Equity | 32,414 | 34,636 | 6.9% |
| EBITDA | 12,655 | 7,901 | -37.6% |
| Net Financial Debt/EBITDA (x) | 1.02 | 1.59 | |



د. الـدینـی

الـدینـی



Sharing labor and experience is crucial

Idrīsī, the author of “The Pleasure of Him Who Longs to Cross the Horizons,” which is considered the most important work of geography written in the Middle Ages, interviewed thousands of travelers and prepared accurate maps, including places previously uncharted. The map he created based on this experience served as a reference for maps produced in Europe in subsequent years.

Aksa Natural Gas touches people’s lives by reaching every home in each province and neighborhood. With the widest natural gas distribution network in Türkiye, we are familiar with nearly every inch of this land. With more than 20 years of service, we have expanded our network to a record-breaking length through investments. By constructing 6,000 kilometers of natural gas lines in just one year, Aksa Natural Gas expanded its network to nearly 45,000 kilometers, achieving a total length sufficient to encircle the Earth.

AKSA NATURAL GAS

Commitment to quality service and the principle of high customer satisfaction

Shaping its operations in line with the core principles of top quality service and high customer satisfaction principle, Aksa Natural Gas under-takes swift investments in every region where it is responsible for distribution.

Operations in
21
License Regions

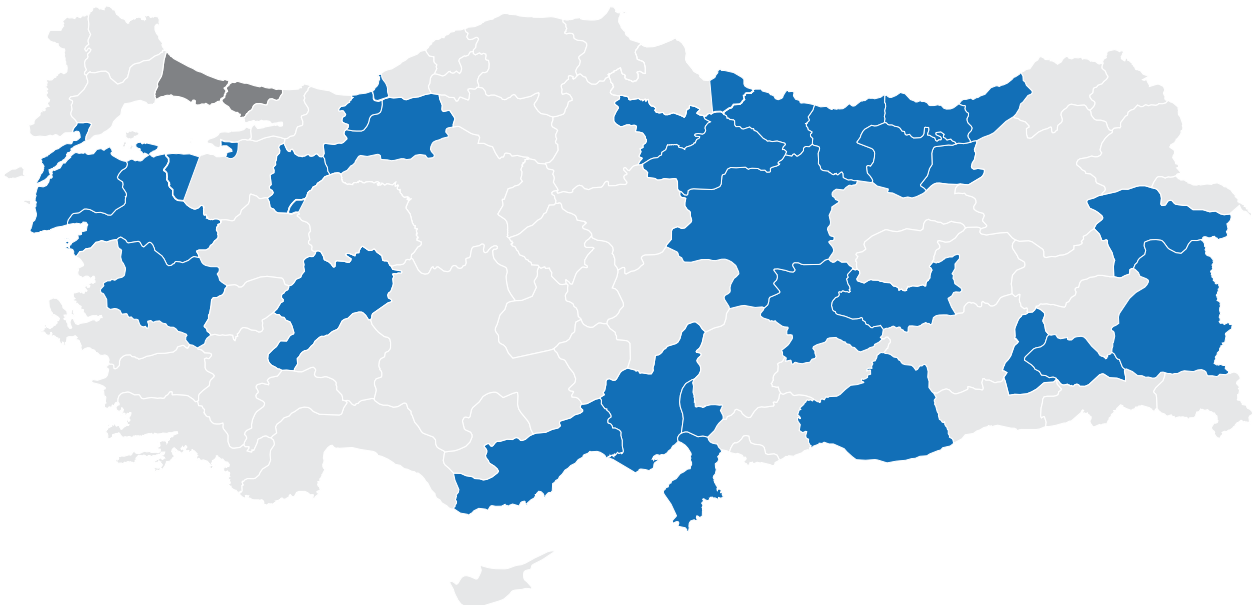
49.8
TRY Billion
Turnover

9.7 Billion m³
Natural Gas Distribution
Volume

Natural Gas Distribution and Sales

● Aksa Natural Gas Head Office

● Aksa Natural Gas Distribution Regions*



* Natural gas distribution services are provided in Mustafakemalpaşa, Karacabey, and Gemlik districts of Bursa, Karadeniz Ereğli district of Zonguldak, İnönü district of Eskişehir, and Çarşamba and Terme districts of Samsun.



AKSA NATURAL GAS

Aksa Natural Gas achieved another first for the natural gas distribution sector in Türkiye and the international arena with the installation of 6 thousand kilometers of network in 2023.

4,356

Number of Employees

21

License Regions

Aksa Natural Gas was established in 2002 as a subsidiary of Kazancı Holding. The Company launched its natural gas distribution operations in Balıkesir region, and currently operates in 21 of 75 license regions across Türkiye.

Aksa Natural Gas continues its natural gas distribution activities with its companies for which it has acquired license rights from the Energy Market Regulatory Authority (EMRA) and took over, in 21 regions. The company operates in 27 provincial centers and 298 districts and towns within the borders of 31 provinces.

Operating in Türkiye's largest geographical distribution area, Aksa Natural Gas serves a population of 174 million and 6.8 million potential subscribers in its distribution regions. The number of subscribers of the Company, which was 1.46 million in 2013, reached approximately 5 million by the end of 2023, and the total natural gas distribution rate, which was 5.5 billion m³, reached 9.7 billion m³. Bringing its total investment amount to TRY 40 billion and its network length to 44,690 km through an investment of TRY 5.7 billion during its operating cycle, Aksa Natural Gas is Türkiye's biggest private natural gas distribution company with a market share of 20.7%.

Designing its operations with the mission of leaving a more livable world to future generations by delivering environmental-friendly natural gas to millions of people, Aksa Natural Gas achieved a turnover of TRY 49.8 billion in 2023.

Aksa Natural Gas contributes significantly to the economic development of Türkiye through the employment opportunities it creates. The Company's total number of employees increased from 1,033 in 2013 to 4,356 at the end of 2023.

Shaping its operations in line with the core principles of top quality service and high customer satisfaction principle, Aksa Natural Gas under-takes swift investments in every region where it is responsible for distribution. In this context, the Company continues to bring natural gas comfort to its subscribers within the scope of its license in the fastest way possible by completing most of its mandatory investments in the distribution regions before their deadlines expire.

Aksa Natural Gas considers ensuring customer satisfaction and continuously improving its service quality as a core priority. In line with this vision, it provides uninterrupted solutions for its subscribers' demands on a 24/7 basis through the Natural Gas Hot Line at 187 and its Solution Center Line at 444 4 187. Aksa Solution Center is widely recognized as a pioneer and model in the sector thanks to its world class advanced technology and software infrastructure, state-of-the-art physical environment and high-quality service.

In 2023, 96% of the 977,962 calls received by our 444 4 187 Solution Center were responded to, while 97% of the 919,770 calls received by our 187 Natural Gas Emergency Line were answered. 80% of the calls received through both channels were resolved.



DEVELOPMENTS IN 2023

We Maintain Our Steady Progress

In 2023, Aksa Natural Gas distributed 9.7 billion m³ of gas, while the number of subscribers reached 4.9 million. The Company's turnover during the period amounted to TRY 49.8 billion. Recording new capital investment spending of TRY 5.7 billion during the fiscal year, Aksa Natural Gas expanded its natural gas distribution network from 38,700 km at year-end 2022 to 44,690 km at year-end 2023.

With the investments it has made to date, Aksa Natural Gas created a natural gas conversion market of TRY 173 billion, TRY 129 billion of which has been physically completed. The Company's energy savings to the national economy and its subscribers since its establishment reached TRY 1,086 billion by the end of 2023.

The Company Adopting Consumer Satisfaction as a Principle Award from the Ministry of Trade

In 2023, Aksa Natural Gas carried out many significant activities and received the "Company Adopting Consumer Satisfaction as a Principle Award" at the 26th Consumer Awards organized by the Ministry of Trade. At the award ceremony attended by President Recep Tayyip Erdoğan, Minister of Trade Prof. Dr. Ömer Bolat, and members of Aksa's Board of Directors, Yaşar Arslan, Chairman of the Board of Directors of Aksa Natural Gas, was presented the Company Adopting Consumer Satisfaction as a Principle Award by President Recep Tayyip Erdoğan.

Excellent Customer Experience with Artificial Intelligence-Supported Strategies

Operating with the goal of continuously improving its service quality since its foundation and providing natural gas supply to its subscribers in the safest way possible, Aksa Natural Gas focuses on digital transformation efforts to enhance customer satisfaction and increase operational efficiency. Striving to constantly measure and improve the customer experience journey at all points of contact in all processes involving natural gas subscription, from connection agreement to installation control, and gas activation to contract termination, Aksa Natural Gas aims to provide its subscribers with an even more effective and richer customer experience. It continues to work responsibly and passionately for our country, humanity, and nature through the artificial intelligence-based solutions it has commissioned in this context.

A Record Investment of 6 Thousand Kilometers in Just One Year

Aksa Natural Gas, one of the 10 major natural gas investor companies in Europe, achieved another first for the natural gas distribution sector in Türkiye and in the international arena with the construction of a network of 6,000 kilometers, working day and night in a manner befitting the 100th anniversary of our Republic in 2023. While safely delivering natural gas, a comfortable and environmental-friendly fuel, to our citizens through the steel networks that it has woven across our country, Aksa Natural Gas brings together the people and cultures of our region under a bluer sky and contributes to the development of the national economy.

Case Sheet Approval Cockpit Taken Live

The test processes of our Case Sheet Approval Cockpit application fed by SAP's FI-FICA module, which enables its business processes to be managed in a 360-degree controlled manner, were successfully completed in Ağrı, Bandırma, and Şanlıurfa regions of Akxa Natural Gas. With the Case Sheet Approval Cockpit application, which started to be used in 21 regions as of June, Accounting Records (FI) and Subscriber Records (FICA) were combined to create automatic case data. Case efficiency was achieved thanks to the application where cash limits were automatically monitored and cash flow was disciplined. One of the most powerful aspects of the cockpit is that it works without user data input, thus saving time and protecting data security. In addition, approval and control flows, followed based on physical signatures before the cockpit, were converted to mobile approval. With the dynamic reporting structure and authorization processes, case activities gained transparency.

Low Carbon Hero for the Fourth Time in a Row

Aksa Natural Gas is aware of the importance of a clean and breathable atmosphere and conducts its activities accordingly. Akxa Natural Gas participated in the 8th Istanbul Carbon Summit organized by the Sustainable Production and Consumption Association with the main sponsorship of the Ministry of Environment, Urbanization and Climate Change and Istanbul Technical University and was awarded the SÜT-D 2023 Low Carbon Heroes Award, given to organizations that set an example in the effective fight against climate change by reducing greenhouse gas emissions with its Project for Low Carbon Solution in Meter Reading. As part of Akxa Natural Gas' project, some of the meter reading teams used electric bicycles instead of cars for a year, resulting in less carbon emissions into the atmosphere at the end of the year. Akxa Natural Gas closely monitors the outputs of the application and aims to expand it to all of its regions with further enhancements and improvements.

AKSA NATURAL GAS

Aksa Natural Gas carries out R&D projects to diversify Türkiye's energy supply security and to develop more environmental-friendly alternatives to meet growing energy demand.



In order to minimize the environmental impacts caused by its activities and contribute to the protection of the environment, Aksa Natural Gas is committed to disclosing all our reports to the public transparently in the future.

The First Phase of the Carbon Emission Accounting and Reduction Project Was Completed

Aksa Natural Gas has successfully completed the Carbon Emission Calculation and Reduction Project in Trabzon-Rize region, which it has implemented in order to identify greenhouse gas sources, control and reduce carbon emissions. As an important step of sustainability efforts, an infrastructure system was established to ensure that the emission calculation provides measurable, reportable, and verifiable results in the first phase of the project, which we initiated in the pilot region in 2022 and where feasibility studies were concluded. Scope 1-2-3 emissions for 2023 were calculated in six categories according to ISO 14064 Corporate Greenhouse Gas Emissions Calculation and Reporting standard. Embarking on its journey with the aim of leaving a more livable world for future generations, the Company took action to expand the Carbon Emission Calculation and Reduction project to all of its distribution regions following the completion of the work in the Trabzon-Rize pilot region and started working for 2023. In order to minimize the environmental impacts caused by its activities and contribute to the protection of the environment, Aksa Natural Gas is committed to disclosing all our reports to the public transparently in the future.

Natural Gas Going Green R&D Project

Conducting R&D studies for more environmental-friendly alternatives to meet the increasing energy demand, Aksa Natural Gas is working to increase the use of hydrogen in parallel with Europe. In order to diversify Türkiye's energy supply security, Aksa Natural Gas continues its Natural Gas Going Green R&D Project, which is closely monitored by the Ministry of Energy and Natural Resources and EMRA. Aksa Natural Gas successfully completed the process of mixing 20% hydrogen into natural gas as part of its Gazbir-Gazmer project in cooperation with Yıldız Technical University. In this project, hydrogen not only serves as a decarbonizing agent but can also be used as a means to store and transfer renewable energy in times of oversupply.

Biomethane Is Blended with Natural Gas

In another R&D project that Aksa Natural Gas conducted with Gazmer, it evaluated the economic sustainability of the use of the gas produced by blending biomethane from organic wastes with natural gas and its effects on energy efficiency. Aksa Natural Gas believes in the importance of alternative fuels and energy sources in combating climate change and carries out R&D activities that will make a difference in this field.

Biggest Digital Transformation of the Industry

Focusing on advanced technologies in line with the Aksa 2030 Global Strategy, Aksa Natural Gas not only differentiates itself in its sector with innovative products but also sets benchmarks in its field of operation, advancing the Aksa Natural Gas brand in alignment with the Holding's global goals. In this context, Aksa Natural Gas achieved another first by carrying out the biggest digital transformation in its sector, thereby reaching its goal of operational excellence.

With its integrated system SAP CRM/IS-U and all SAP ERP solutions, the Company processes and analyzes data in real time in order to create standardization in all its steps, especially in subscriber system applications, and provides the most up-to-date information flow to its units. It measures and evaluates all business processes end-to-end, from inventory management to purchasing, accounting to finance and basic maintenance requirements, and transfers up-to-date data to mobile devices in real time while instantly comparing data from the field.

During the Kahramanmaraş earthquake that struck on February 6 and deeply affected all the country and the aftershocks that followed, Aksa Natural Gas continued its operations by eliminating the risk factors in network supply security thanks to its current applications. In the following period, the Company carried out monthly monitoring and assessment of regional consumption with the application integrated on SAP for the monthly 25 m³ natural gas support until May 2024 and one month complimentary natural gas offered to natural gas subscribers by Presidential decrees.

Collaboration with Pacific Gas and Electric Company

Adding a new one to its preparatory work to provide safer and uninterrupted service to its subscribers in the event of an earthquake disaster, Aksa Natural Gas and Pacific Gas and Electric Company came together to carry out joint work on disaster management, earthquake risk assessment, and ensuring the continuity of natural gas supply security. In this context, it continues its negotiations with the Japanese gas company Osaka Gas Network.

Supporting Citizens During the Earthquake

Aksa Natural Gas activated the emergency action plan in its distribution regions Adana, Elazığ, Malatya, Osmaniye, Hatay, Batman, Şanlıurfa, and Gürün district of Sivas, which were affected by the earthquakes. It stopped the natural gas supply to the damaged or demolished buildings as a precautionary measure, while continuing uninterrupted natural gas supply to the non-damaged buildings. While trying to heal the wounds together with the people of the region, Akxa Natural Gas acted with the awareness that natural gas is very important for life to proceed in its normal flow and continued its investment and expansion efforts to ensure that there are no districts, neighborhoods or streets without natural gas in the earthquake provinces and that citizens can easily meet their requirements with the comfort of natural gas.



In addition;

- Within the scope of the State of Emergency declared by Presidential Decrees, it did not carry out meter reading and billing transactions in residences and commercial enterprises of less than 100 thousand cubic meters.
- Since the 30-day portion of the first invoices to be issued after June 1, 2023 is subject to complimentary natural gas application, no fee was charged for 1 month of consumption within the first invoice.
- It provided the opportunity of 6 installments for the invoiced amounts.
- It transferred the security deposits of the residences damaged moderately and above to the accounts of its subscribers without any deduction.
- Pursuant to the Presidential Decree, it canceled the outstanding consumption fees related to the periods before February 6 of its natural gas subscribers, whose houses and workplaces were destroyed, heavily or moderately damaged, or deemed in need of immediate demolition.
- It rapidly completed the construction of three container camps in Antakya, İskenderun, and Kırıkhan districts of Hatay province and met the accommodation requirements of dozens of our employees in these cities.

GIS - NVI Address Integration and Matching Efforts

In order to keep the address layers of the Geographic Information Systems (GIS), which Akxa Natural Gas has been using and developing since its establishment, up-to-date, Akxa Natural Gas continued the efforts for the integration with the Spatial Address Registration System (MAKS) provided by the Directorate of Population and Citizenship Affairs (NVI). Matching all road, boulevard, neighborhood, square, avenue, and street numbering and building identification numbers with the inventory in the existing system within the scope of the work, Akxa Natural Gas continues to complete the integration and automatically update its addresses, particularly in SAP subscriber systems. At the end of the project, Akxa Natural Gas shall be fully compliant with the national address system and provide its subscribers and official institutions processing address-based data with even more reliable and up-to-date data.

A+ Rating from JCR Eurasia Rating A.Ş. for the Third Consecutive Time

Within the scope of the credit rating process carried out by JCR Eurasia Rating Inc., Akxa Natural Gas' credit rating was affirmed with the highest-level investment grade for the third consecutive time. The Long-Term National Rating is "A+ (tr) / (Stable Outlook)" and the Short-Term National Rating is "J1+ (tr) / (Stable Outlook)."

AKSA NATURAL GAS

As part of its 2030 Strategy Plan, Akxa Natural Gas aims to expand its network by 57% from 44,690 km to 70,000 km through domestic and international investments of USD 1.5 billion.



GEOGRAPHICAL DISTRIBUTION NETWORK

Natural Gas Distribution Regions

- Akxa Afyon Doğal Gaz Dağıtım A.Ş.
- Akxa Ağrı Doğal Gaz Dağıtım A.Ş.
- Akxa Balıkesir Doğal Gaz Dağıtım A.Ş.
- Akxa Bandırma Doğal Gaz Dağıtım A.Ş.
- Akxa Bilecik Bolu Doğal Gaz Dağıtım A.Ş.
- Akxa Çanakkale Doğal Gaz Dağıtım A.Ş.
- Akxa Çukurova Doğal Gaz Dağıtım A.Ş.
- Akxa Düzce Ereğli Doğal Gaz Dağıtım A.Ş.
- Akxa Elazığ Doğal Gaz Dağıtım A.Ş.
- Akxa Gemlik Doğal Gaz Dağıtım A.Ş.
- Akxa Gümüşhane Bayburt Doğal Gaz Dağıtım A.Ş.
- Akxa Karadeniz Doğal Gaz Dağıtım A.Ş.
- Akxa Malatya Doğal Gaz Dağıtım A.Ş.
- Akxa Manisa Doğal Gaz Dağıtım A.Ş.
- Akxa M. Kemalpaşa Susurluk Karacabey Doğal Gaz Dağıtım A.Ş.
- Akxa Ordu Giresun Doğal Gaz Dağıtım A.Ş.
- Akxa Siirt Batman Doğal Gaz Dağıtım A.Ş.
- Akxa Sivas Doğal Gaz Dağıtım A.Ş.
- Akxa Şanlıurfa Doğal Gaz Dağıtım A.Ş.
- Akxa Tokat Amasya Doğal Gaz Dağıtım A.Ş.
- Akxa Van Doğal Gaz Dağıtım A.Ş.

Akxa Natural Gas in Figures

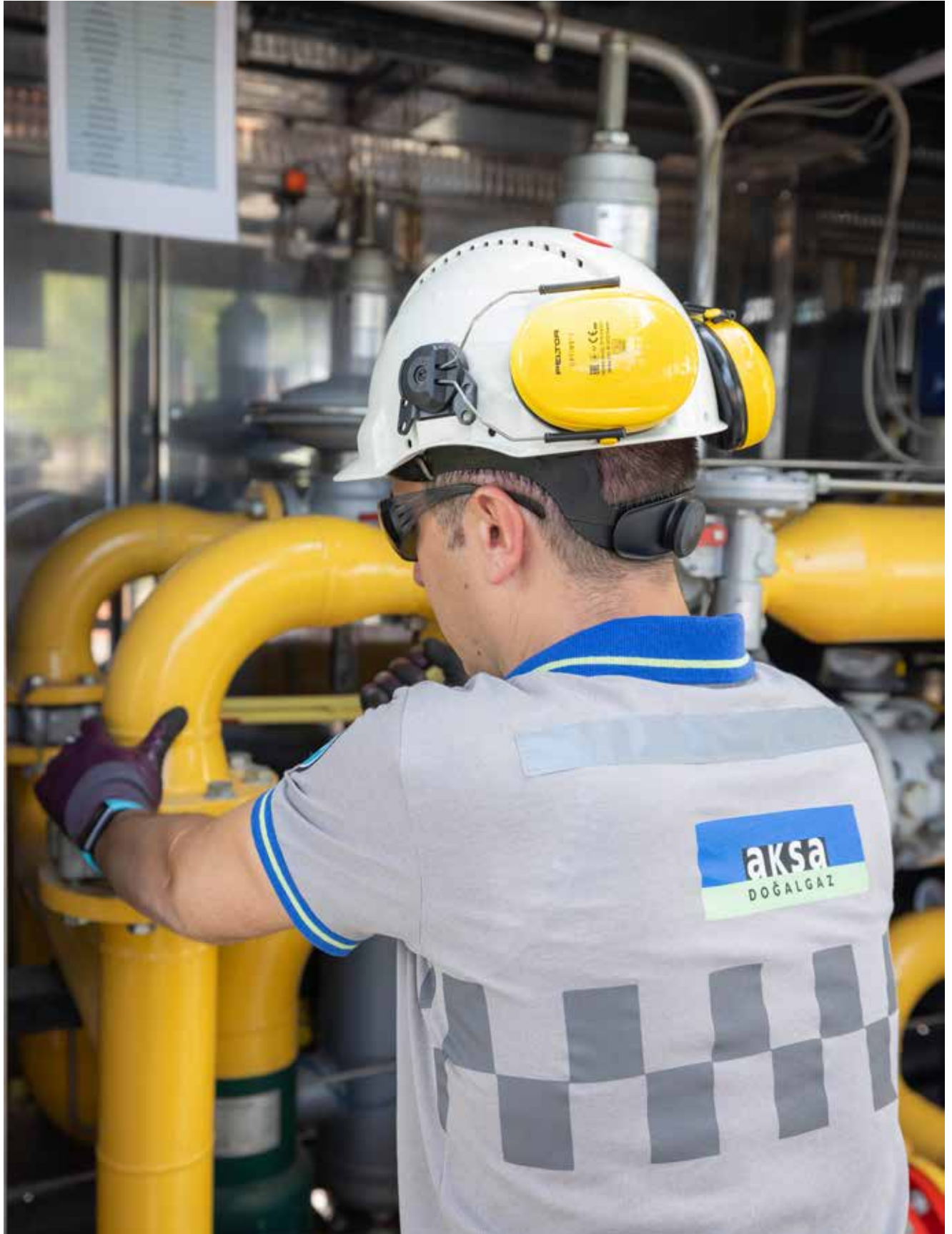
| Financial Indicators (TRY Million) | 2022 | 2023 | Change (%) |
|------------------------------------|--------|--------|------------|
| Turnover | 71,989 | 49,796 | -30.8% |
| EBITDA | 4,239 | 4,660 | 9.9% |
| Assets | 44,744 | 43,758 | -2.2% |
| Equity | 9,396 | 11,013 | 17.2% |
| Gross Profit | 3,041 | 3,256 | 7.1% |
| Net Profit | 1,341 | 1,758 | 33.1% |

| Operational Indicators | 2022 | 2023 | Change (%) |
|--|-----------|-----------|------------|
| Natural Gas Distribution Licenses (Number) | 21 | 21 | - |
| Total Number of Subscribers (Number of Independent Sections-NIS) | 4,416,857 | 4,914,353 | 11.3% |
| Total Number of Subscribers (Number) | 3,750,448 | 4,228,375 | 12.7% |
| Number of Potential Residential Subscribers (Number) | 6,201,381 | 6,817,536 | 9.9% |
| Network Length (km) | 38,700 | 44,690 | 15.5% |

FUTURE OUTLOOK

Akxa Natural Gas aims to expand its network by 57% from 44,690 km to 70,000 km, increase the number of subscribers by 66% from 4.9 million to 8.2 million, and increase its natural gas distribution volume by 78% from 9.7 billion m³ to 17.2 billion m³ through USD 1.5 billion in domestic and international investments under the 2030 Strategy Plan. Additionally, Akxa Natural Gas, which plans to increase its EBITDA value from USD 158 million at the end of 2023 to \$382 million, growing at an average rate of 14% annually, aims to raise its revenue from USD 1.7 billion to USD 3.1 billion. The company also aims to increase its headcount by only 23%.

Akxa Natural Gas continues its efforts to expand its operational activities abroad in line with Kazancı Holding's globalization strategies. It aims to become more active in international investment areas and to carry its service quality, built on 21 years of experience, to a global scale.







No wave to overcome, no destination to reach

Piri Reis, one of the most prominent figures in Turkish maritime history, played a key role in enabling the Ottoman navy to dominate the seas. With his world maps depicting America and his maritime book *Kitâb-ı Bahriye* (The Book of the Sea), he facilitated navigation on challenging routes and became a guiding figure for humanity.

Aksa Electricity connects with consumers in challenging geographies through its extensive electricity distribution network. As one of the key brands of our Holding, present in nearly every aspect of daily life, Aksa Electricity aims to meet the electricity needs of approximately 4 million people in its service areas without interruption, while striving for exceptional customer satisfaction.

AKSA ELECTRICITY

Strong support for Türkiye's energy supply security

Aksa Electricity, through its companies operating in the Çoruh and Fırat license regions, provides electricity distribution and retail sales services to approximately 4 million people in 9 provinces and 101 districts.

113.7 Thousand km
Line Length

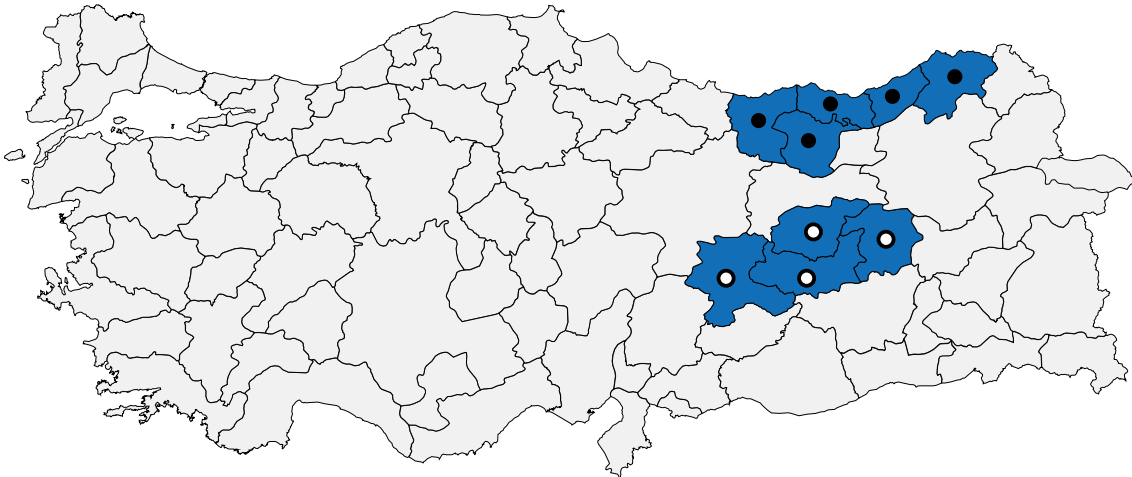
6.21 Billion kWh
Electricity Distribution
Volume

3.6 TRY Billion
Investment

Aksa Electricity Group

● Çoruh Electricity Distribution Regions
Aksa Çoruh Retail Electricity Sales
Region

○ Fırat Electricity Distribution Regions
Aksa Fırat Retail Electricity Sales Region





Within the scope of its operations, Akxa Electricity successfully manages a distribution line long enough to encircle the Earth approximately three times.

*Operation in
101
Districts*

*Electricity
Distribution and
Retail Sales Service
for a Population of
4 Million*

Through its electricity distribution and retail sales companies operating across 9 provinces and 101 districts in Türkiye, Akxa Electricity meets the electricity requirements of approximately 4 million people with quality and uninterrupted service.

In addition to delivering electricity to residences, industrial facilities, commercial buildings, and agricultural lands in the cities it serves, Akxa Electricity also illuminates the streets and avenues in its service areas. Within the scope of these activities, Akxa Electricity successfully manages a distribution line that is long enough to encircle the Earth approximately three times.

Operating under the umbrella of Akxa Electricity, Çoruh and Fırat Electricity Distribution Companies strive to deliver quality and uninterrupted electricity to consumers in a challenging geography covering an area of 67 thousand km² in the Eastern Black Sea and Eastern Anatolia regions.

The retail sales companies operating under the umbrella of Akxa Electricity provide retail sales services in 2 regions, 9 provinces, and 101 districts as authorized supply companies in the regulated electricity market. The consolidated customer portfolios of Akxa Electricity's retail sales companies, Akxa Çoruh and Akxa Fırat, show that the commercial consumer group accounted for 23%, the industrial consumer group for 50.7%, the residential consumer group for 24.9%, and other segments for 1.43% as of year-end 2023.

Aiming to further strengthen its position in the Turkish electricity market with its human-centered business model and sustainable success-driven perspective, Akxa Electricity increases its contribution to Türkiye's energy supply security by continuously improving its service quality through steady investments, while strengthening the national economy with the employment it creates in its service regions.

AKSA ELECTRICITY

Akxa Electricity increases its contribution to Türkiye's energy supply security by continuously improving its service quality through steady investments, while strengthening the national economy with the employment it creates in its service regions.



Çoruh EDAŞ and Fırat EDAŞ continued to increase the value they generate for our country, the sector, and all stakeholders with investments of approximately TRY 3.6 billion in the 2023 operating period.

ELECTRICITY DISTRIBUTION COMPANIES

Çoruh EDAŞ and Fırat EDAŞ focus on technology and innovation to ensure uninterrupted and high quality energy delivery to the most remote villages in their distribution region via power transmission lines.

Çoruh Elektrik Dağıtım A.Ş. (Çoruh EDAŞ) and Fırat Elektrik Dağıtım A.Ş. (Fırat EDAŞ) have been fulfilling their responsibility to provide 24/7 electricity in the 2 regions and 9 provinces they serve since 2010. Çoruh EDAŞ serves a total of 1,562,969 consumers in 5 provinces, 61 districts, and 1,529 villages in its 29,551 km² distribution area. In the Company's distribution region, there are distribution lines of 63,626 km in total (48,066 km of low voltage lines and 15,560 km of medium voltage lines) and 13,283 transformers.

By 2023, Çoruh EDAŞ distributed a total of 3.66 TWh of energy in its region.

Fırat EDAŞ serves a total of 1,054,181 consumers in 4 provinces, 40 districts, and 1,999 villages located within its 37,365 km² distribution area. In the Company's distribution region, there are distribution lines of 50,065 km in total (32,470 km of low voltage lines and 17,595 km of medium voltage lines) and 14,293 transformers.

By 2023, Fırat EDAŞ distributed a total of 2.55 TWh of energy in its region.

The electricity distribution companies operating under Akxa Electricity have an advanced technology infrastructure to monitor, supervise, and remotely control the electricity distribution system up to the consumer connection point. Çoruh EDAŞ and Fırat EDAŞ, which are advancing efforts to transition the distribution network to automation, are prioritizing the integration of specific switching points in the medium voltage network into the remote monitoring system.

ELECTRICITY RETAIL SALES COMPANIES

The retail sales companies operating under the umbrella of Akxa Electricity provide retail sales services in 2 regions, 9 provinces, and 101 districts as authorized supply companies in the regulated electricity market.

The consolidated customer portfolios of Akxa Electricity's retail sales companies, Akxa Çoruh and Akxa Fırat, show that the commercial consumer group accounted for 23%, the industrial consumer group for 50.7%, the residential consumer group for 24.9%, and other segments for 1.43% as of year-end 2023.

While energy crises were being experienced all over the world, Akxa Electricity successfully met its targets by launching new projects, even during this challenging period. Total electricity sales volume in the Company's service regions amounted to 5.1 TWh.

Akxa Electricity retail sales companies achieved successful business results in 2023 and improved its service quality through customer-driven initiatives. Akxa Çoruh and Akxa Fırat managed to increase their number of consumers in their service regions by 9.3% and 9.8% year-on-year, respectively.

In 2023, Akxa Electricity focused on projects related to environmental sustainability. The Company has contributed to the reduction of carbon emissions and the conservation of natural resources by supplying its customers with green energy produced entirely from renewable energy sources, allowing electricity consumers to make an informed and reliable choice.

DEVELOPMENTS IN 2023

Akxa Electricity Ranks 130th in Fortune 500

Akxa Electricity climbed 37 steps and ranked 130th in the Fortune 500 ranking including Türkiye's 500 biggest companies. Also, Akxa Çoruh Electricity climbed 27 steps and ranked 194th place, while Akxa Fırat Electricity climbed 33 steps and ranked 247th place on the list.

Furthermore, Akxa Electricity climbed 71 steps and ranked 155th in the Capital 500 list during the period.

Industry Leading R&D Projects

Electricity distribution companies operating under the umbrella of Akxa Electricity both renovate and improve existing networks and undertake innovative projects to create the smart grids of the future in order to ensure sustainable and high quality energy supply in their distribution regions. Çoruh EDAŞ and Fırat EDAŞ, with the support of EMRA R&D funds, carry out R&D studies in many areas, particularly on smart grids.

Customer Information System (Utilities) Domestic Software Development Project (Çoruh EDAŞ):

The project aims to develop a highly competitive domestic Customer Information Management System that fully meets the requirements of national legislation and regulations in the electricity sector, created with an innovative approach utilizing contemporary technologies as an alternative to foreign-origin software.



Li-Fi (Light Fidelity) Smart Intelligent Lighting Prototype Development Project (Çoruh EDAŞ):

The project aims to use LED lamps used for lighting as wireless access points using visible light communication (VLC) technology. This technology is also known as Li-Fi. Using LED lamps for both lighting and communication provides an important development in the field of wireless communication. The potential applications of this innovative approach in electricity distribution networks will be explored and a Li-Fi Capable Street Lighting Prototype will be developed. The project ultimately aims to provide a road map for the integration and deployment of Li-Fi technology in urban infrastructure.

Domestic Energy Ecosystem Integration and Master Data Management Platform Development Project (Fırat EDAŞ):

In order for distribution companies to continue their operations, the information systems they use must operate in an integrated manner. These integrations are achieved by using different technical approaches (web services, file sharing, database integration, etc.) in existing applications. The new platform to be developed will enable the integration processes of different software to be monitored, kept under control, and systematically accessible. This will thus minimize the effort required for integration with existing systems during the commissioning of new applications.

Increased Safety System Project Against Arc Flash Hazard of Employees During Operation (Çoruh EDAŞ):

The project will improve the protection of personnel working in the maintenance and repair area against possible arc flash events and thus create a safer working environment. It is aimed to notify the system of the maintenance status of the information received with a switch and/or sensor to be developed in the distribution center and to switch the protection equipment to sensitive protection settings against any failure in the distribution centers.

Development of a Test Device for the Detection of Failures in Distribution Transformers Project (Fırat EDAŞ):

With the project, a test device that is easy to install, does not require competence, and offers a fast response time will be developed for the safe re-energization of distribution transformers, which play a key role in the transmission of electrical energy to the end users, in the event that they are disconnected from the distribution system as a result of a failure. By means of this device, distribution transformers can be quickly tested and assessed for their suitability for re-energization. This will reduce the duration of power outages and improve energy safety.

AKSA ELECTRICITY

Çoruh EDAŞ and Fırat EDAŞ carry out uninterrupted R&D activities in areas such as smart grids, energy storage, and e-mobility with the support of EMRA R&D funds.



The S4HANA Project was concluded with its financial and logistics modules by the end of 2023.

Digital Twin Model- DIGTWIN Project (Çoruh EDAŞ):

With the project, which was initiated under the leadership of Çoruh EDAŞ and in partnership with VAN and GDZ EDAŞ Electricity Distribution Companies, an application was developed enabling the most appropriate protection settings to be realized by determining the causes of failures at the points with the highest number of failures at the MV level carrying out relay adjustment and coordination studies. The application focused on creating a digital twin of the distribution network by using the Geographical Information System. The project was concluded in 2023. In the coming period, activities will be carried out for the dissemination and commissioning of the project.

Efficiency-Driven Digital Transformation Projects

The distribution companies operating under the umbrella of Aksa Electricity aim to manage their connection operations processes online via a web application.

S4HANA Digital Transformation Project

The S4HANA Transformation Project is designed to enable Çoruh Elektrik Dağıtım A.Ş. (Çoruh EDAŞ) to carry out all its ERP operations in a flexible, effective, fast, economical, and error-free manner.

In the project initiated in 2022 with process optimization studies, the Company collaborated with SAP, one of the world's leading companies, and launched the most comprehensive corporate ERP transformation in the sector.

Priority corporate processes to be managed in an integrated manner through a single platform include financial technologies, investment and progress payment processes, material and inventory movements, as well as mobile and web online services applications. The S4HANA Project was completed with its financial and logistics modules by the end of 2023. The project is planned to be completed in 2024 with all its phases.



In 2023, the response rate to the calls received by Çoruh EDAŞ Solution Center was 98.53%, while the response rate to the calls received by Fırat EDAŞ Solution Center was 98.45%.

CONSUMER SATISFACTION

Aiming to enhance service quality and consumer satisfaction, Çoruh EDAŞ and Fırat EDAŞ maintained focused upon technology and digital transformation. Both companies implemented pioneering initiatives in the industry with investments to fulfill capacity requirements, improve supply quality and boost efficiency in 2023.

186 – Fault Notification and Solution Center continues to increase the satisfaction of Çoruh EDAŞ and Fırat EDAŞ customers through its high service quality. In 2023, the response rate of calls received by the Çoruh EDAŞ Solution Center was 98.53% with a response time of 8.5 seconds. The response rate of calls received by the Fırat EDAŞ Solution Center was 98.45% with a response time of 9.8 seconds.

In 2023, Call Center Satisfaction Surveys continued at Çoruh EDAŞ and Fırat EDAŞ to better respond to customer requirements. Through this practice, customer demands, suggestions, and complaints are comprehensively analyzed and effective and strategic targeted actions are taken.

Çoruh EDAŞ and Fırat EDAŞ consumers are notified of planned outages via text message in order to respond swiftly to customer requests within the respective service regions and keep customers updated about the companies' operations. Local authorities across the region have been directly registered into this notification system. As a

result, all notices and complaints originating from local authorities are considered a priority as part of VIP designation in the system and are finalized quickly. In addition, customers who have submitted their mobile phone information into the system are notified of overdue bills via SMS prior to disconnection of the electricity supply.

With the aim of providing quality and uninterrupted service to customers, Çoruh EDAŞ and Fırat EDAŞ delivers customer relations trainings based on one-to-one communications. These training sessions are administered throughout the year. Meetings with local authorities are held to analyze customer requests, complaints and suggestions; WhatsApp chat groups, available 24/7, are also used to facilitate communication with local authorities. These chat groups were actively used during the pandemic. Instant 24/7 communication is still provided on many issues, ranging from bill generation to failure notification.

Çoruh EDAŞ and Fırat EDAŞ prioritize customers whose quality of life critically depends on electrical devices with VIP designation. One-to-one communication channels are established with these special customers at their request. In addition, all company communication channels are open to all stakeholders, including customers, members of the public, NGOs, local and national press. Stakeholder gatherings are held regularly through various events and organizations.

AKSA ELECTRICITY

Aksa Electricity has contributed to the reduction of carbon emissions and the conservation of natural resources by supplying its customers with green energy produced entirely from renewable energy sources, allowing electricity consumers to make an informed and reliable choice.

**7.2
MWp
2023 SPP
Installations**

ELECTRICITY SALES SERVICES

In the electricity sector, Kazancı Holding offers sales services in 81 provinces through its company Aksa Electricity Sales.

In addition, Aksa Electricity expands its operations by providing consultancy and alternative energy solutions to Türkiye's major companies.

In 2023, Aksa Electricity focused on projects related to environmental sustainability. The Company has contributed to the reduction of carbon emissions and the conservation of natural resources by supplying its customers with green energy produced entirely from renewable energy sources, allowing electricity consumers to make an informed and reliable choice.

Aksa Electricity prefers using sustainable and environmental-friendly green energy with the I-REC Standard (International Renewable Energy Certificate). Its commercial and industrial customers share this vision, as well. Aksa Electricity has become the company selling the most international renewable energy certificates in Türkiye with its I-REC certificate exceeding 1,635,224 MWh in 2023. Furthermore, the Company achieved a first in the Turkish energy industry when it traded I-REC via blockchain through licensed electricity generation.

Aksa Customer Solutions continues to develop environmental-friendly business models and solutions tailored exclusively for their clients who desire to lower their energy costs and use clean energy. In this context, the Company started to install solar energy systems with innovative and sustainable business models that provide end-to-end energy solutions. In this context, a solar energy system with an installed capacity of 7.2 MWp was installed within one year.

Embedding its industrial expertise and integrated service competence across each and every field of electricity, Aksa Customer Solutions continues to invest in EV charging solutions across Türkiye as such vehicles become more widespread as the means of transportation of the future. Aksa Electricity continues to serve as a one-stop-shop and reliable solution partner in end-to-end installation, device supply, operation, maintenance, and management operations.

The Company obtained the Charging Network Operator License, which sets out the principles and procedures for the establishment of charging units and stations supplying electricity to electric vehicles, the operation of the charging network and the charging stations connected to the network, and the provision of charging services. In 2023, the Company installed a total of 155 electric vehicle charging stations and continues to provide customers and business partners with fast and easy solutions to meet the energy requirements of electric vehicles under Aksa's assurance.

**155
2023 Electric
Vehicle
Charging Station
Installations**



VISION

Leading energy company that adds value to customers' lives with its innovative and customer-driven energy solutions.

MISSION

To provide unique services and solutions that inspire Türkiye, the industry, and our customers for a better future. We have that energy!

AKSA ELEKTRİK SATIŞ A.Ş.

Aksa Elektrik Satış A.Ş., a subsidiary of Kazancı Holding, provides electricity sales and consultancy services throughout Türkiye under a license obtained from the Energy Market Regulatory Authority (EMRA) in 2004. Aksa Electricity Sales, one of the major players in the Turkish electricity market, has always led the sector by providing quality service with its strong financial structure, expert staff, integration with group companies, extensive service network across 81 provinces, and inspiring energy solutions.

AKSA MÜŞTERİ ÇÖZÜMLERİ A.Ş.

Aksa Customer Solutions offers innovative, alternative, and environmental-friendly energy solutions for corporate customers within the scope of distributed energy projects.

Thanks to its business models sensitive to the environment, the Company provides end-to-end energy solutions with many sustainable and environmental-friendly projects ranging from solar energy systems to electric vehicle charging stations, energy efficiency projects to green energy.

DEVELOPMENTS IN 2023

A Giant Clean Energy Collaboration between Aksa Electricity and Migros

Aksa Solar, one of Aksa Electricity Group's brands, is building a solar power plant with an installed capacity of approximately 16 MWp in Malatya in collaboration with Migros. Within the scope of the solar power plant, which is planned to produce an average of 27 million kWh of energy annually with 29 thousand solar panels, project investment support and all permitting, design, installation, operation and maintenance processes will be undertaken by Aksa Solar and implemented on a turnkey basis. The project will meet the electricity requirements of more than 300 Migros stores in 13 provinces with clean energy and prevent approximately 12 thousand tons of carbon emissions annually. With this project, Aksa Solar has added a new one to the comprehensive solutions it offers to customers seeking clean energy and cost savings.

YEK-G (Renewable Energy Resource Guarantee) Certificate for Gebze Güzeller OIZ

Aksa Electricity signed a new cooperation with the Gebze Güzeller Organized Industrial Zone as part of its efforts in the field of renewable and clean energy. With the YEK-G Certificate issued to Gebze Güzeller OIZ through Aksa Electricity, 43 thousand tons of carbon emissions were prevented over an 8-month period. With this certificate, which resets the carbon emissions caused by electrical energy and is of great importance in terms of environmental protection and sustainability, it has been registered with the YEK-G Certificate that the electricity consumption of 87,455 MWh of Gebze Güzeller OIZ between January and

August 2023 was produced from renewable energy sources. Aksa Electricity continues to be a solution partner by using domestic and national resources for companies seeking to reduce carbon emissions and utilize renewable energy in their production and services.

Leading Company for Clean Energy

Aksa Electricity continues to increase its contribution to reducing carbon emissions and protecting natural resources with the green energy generated entirely from renewable energy sources that it offers to its customers. In 2023, the Company once again concluded the year as the leader in this field with the sale of 1,635,224 MWh of International Renewable Energy Certificates (I-REC).

Innovative Energy Solutions Shaping the Future

Aksa Customer Solutions continues to establish business partnerships with its customers in all areas of energy with sustainable solutions and innovative business models developed in the fields of energy efficiency and renewable energy projects. The company installs solar energy systems through turnkey projects covering all processes from power plant construction to electricity supply. In 2023, the Company completed the installation of a solar energy system with an installed capacity of 7.2 MWp, while also contributing to Türkiye's electric vehicle future with Aksa Charging Stations it installed for electric vehicles. In 2023, the Company installed a total of 155 electric vehicle charging stations and continues to provide fast and reliable solutions to meet the energy requirements of electric vehicles.

New discoveries arise from new ideas

Christopher Columbus, a Genoese captain and explorer, completed four voyages across the Atlantic Ocean, initiating geographical explorations that paved the way to America. Supported by monarchs, his expeditions marked the first European contact with the Caribbean, Central America, and South America.

Aksa Power Generation has demonstrated its potential to become a global brand in the power generator market, offering a wide range of products and applications, from individual use to large-scale projects. To this end, our Company continues to grow by exploring new markets, developing innovative products, and making investments. With its strong export performance and ranking among the top five producers in the global sector, Aksa Power Generation makes a significant contribution to the Turkish economy. Operating through 23 offices, 4 production facilities, and 2 trade centers across Asia, Europe, the Middle East, Africa, and the Americas, our Company manufactures products on four continents. With a high-growth strategy, we aim to become one of the top three companies in the global sector in the near future.





AKSA POWER GENERATION

Offering services with the technology of the future

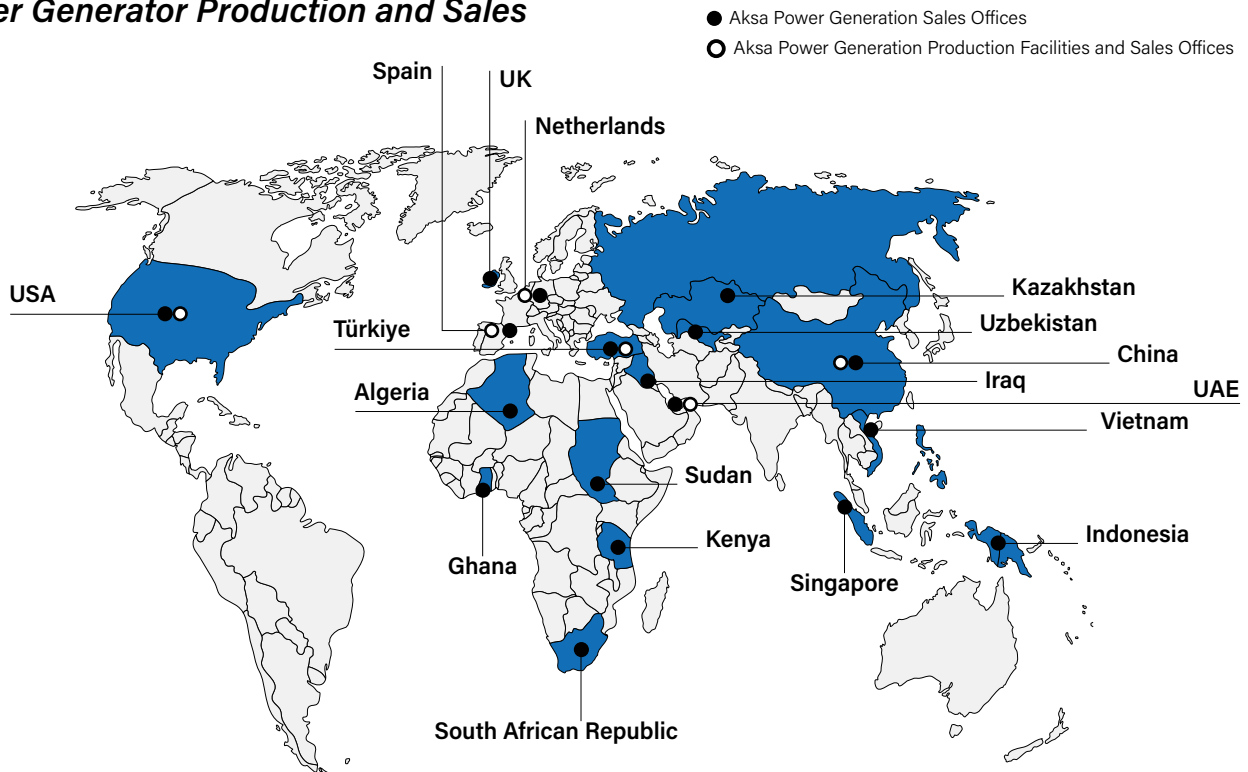
Aksa Power Generation makes a difference with the novel products it developed, technology, and innovation, and continuously boosts the global power of its brand by setting the standards in its field of activity.

200 Thousand M²+
Total Production Facility Area

395 USD Million
Net Sales

251 USD Million
Overseas Revenues

Power Generator Production and Sales





AKSA POWER GENERATION

Since its founding, Akxa Power Generation has effectively shaped its operations with a vision of developing innovations and introducing trends, not simply following the market. To this end, the Company has adopted the principle of providing high quality state-of-the-art technology products to its customers.

23

Overseas Offices

Akxa Power Generation laid its foundation with the electrical motor factory established by Ali Metin Kazancı in 1968. Production its first power generator in 1984, the Company became a specialist in the field of machine and hardware production in a short time, becoming one of the leading power generator manufacturers in the world. Having successfully maintained its leadership in the Turkish power generator market for many years, Akxa Power Generation is among the major exporters in Türkiye with sales to 178 countries, continuously adding value to the national economy without interruption.

The Company ranks among the top 5 power generator manufacturers globally with 23 overseas offices in Asia, Europe, Africa, and America. The Company continues its overseas operations in USA, UAE, Algeria, China, Indonesia, Ghana, South Africa, Netherlands, Iraq, UK, Kazakhstan, Kenya, Uzbekistan, Singapore, Vietnam, Sudan, and Spain.

Global Sales Organization

Leading the power generator market of Türkiye for many years, Akxa Power Generation delivers its quality product range -which is continuously enriched- to the consumers with affordable prices through 19 APC (Akxa Power Center) sales points across Türkiye. The Company started to introduce its portable power generator products, which provide continuous energy support under all conditions, to the users through the e-trade website (shop.akxa.com.tr) launched in 2020. By this way, it has further consolidated its domestic market position.

Akxa Power Generation continues to expand its sales network across the world by positioning its global goals at the principal focus of the growth strategy. During the reporting period, the Company expanded its global sales organization to 23 offices in 18 countries, with its offices in Asia, Europe, the Middle East, Africa, and the USA.

Akxa Power Generation expanded its sphere of influence in Europe in 2020 with the new trade center commissioned in the Netherlands-Rotterdam, having a strategical location. The company started to offer European Union origin, innovative and ecofriendly products, including hybrid power generators, focusing on energy efficiency for its customers in Western-Northern Europe and other continents. The Company plans to develop products for data center, telecommunication and infrastructure markets which grow fast in the European market, and to lead the sectoral transformation in line with the sustainability goals of the continent.

18

Number of Countries of Operation

Akxa Power Generation makes a difference with the novel products it developed, technology, and innovation, and continuously boosts the global power of its brand by setting the standards in its field of activity. One of the first companies in the world to manufacture power generators that run on natural gas and the indisputable leader in the projects of synchronized power generators, the Company -with R&D investments- has recently focused its efforts on power generators that consume less fuel, make less noise and are more environmentally friendly.

OPERATIONS

Production and Sales

Akxa Power Generation manufactures gasoline, diesel and natural gas-fueled power generators ranging from 1 kVA to 3,125 kVA, portable power generators, marine power generators, hybrid power generators, and rental and industrial products such as Lighting Towers, Rental Pack and Twin Power, as well as power generator equipment at its production facilities in Türkiye (Çerkezköy, 40,000 m² indoor area), China (Changzhou, 80,000 m² indoor area), the USA (Houston, 20,000 m² indoor area) and Spain (Zaragoza, 5,000 m² indoor area), and at its commercial centers in Rotterdam-Dordrecht (Netherlands, 2 thousand m² indoor area) and the UAE (Dubai, 10 thousand m² indoor area).

In September 2023, Akxa Power Generation acquired majority shares of Dagartech, Spain's leading power generator manufacturer, in order to further expand its presence in Europe. With this move, it aims to develop Stage 5-certified products that comply with European emission standards. With this acquisition, the Company plans to strengthen its position in the global power generator sector, particularly in the European markets, by expanding the audience to which it offers its low-carbon emission Stage 5-certified products as well as its innovative product range in the field of rental.

DEVELOPMENTS IN 2023

We Made a New Strategic Investment in the USA

In 2023, Akxa Power Generation expanded its strategic investments in the US market and started investing in a new plant in Houston with a 20,000 m² indoor area. The plant, designed to produce motorized groups in compliance with Tier IV standards, will enhance the Company's production capacity for the American markets. Akxa Power Generation's new production facility also raises quality standards with its UL 2200 certification and NFPA 110 compliance, while contributing to its goal of providing better service to customers in the USA.

We Became Majority Shareholder of Spanish Dagartech

In September 2023, Akxa Power Generation B.V. acquired a majority of shares of Dagartech, Spain's leading power generator manufacturer with a significant market share in Europe. Following the merger, which offers Akxa Power Generation B.V. and Dagartech the opportunity to grow mutually and strengthen their global presence, both organizations will continue to operate under their own brands and carry out their projects independently.

Akxa Power Generation Wind in Dubai

While the Dubai MEE 2023 exhibition, as in previous years, hosted a large number of visitors in 2023, Akxa Power Generation carried out an important brand communication in the indoor and outdoor areas of this major event. The company had the opportunity to exhibit its container product group as well as Baudouin brand engine groups at the fair. With the participation of country managers from Ghana, Kenya, Algeria, South Africa, and Sudan, all operating under the Dubai office, the Company attended the event with its full team and welcomed its visitors in a strong manner. The new black cabin container product specially produced for the Company's rental solutions was also exhibited at the fair.



Akxa Power Generation's Innovative Product Portfolio Expands

Akxa Power Generation added two innovative products to its production portfolio in 2023, further strengthening its sectoral leadership in energy solutions. The portable and powerful Akxa AAP 4000i enables users to meet their energy requirements anywhere, while the AAP 12000 PB and AAP 12000 PB-3 models provide uninterrupted and reliable energy for homes and businesses.

During the reporting period, the Company also renewed its Rental Pack product developed for the rental sector. The new product offers customized, powerful, and efficient energy solutions to industries with its 1 Megawatt Prime power, dual frequency feature, and environmentally friendly design.

Istanbul Finance Center is also Powered by Akxa Power Generation

Akxa Power Generation supplies over 200 MW of power to the Istanbul Finance Center with over 100 power generators.

Akxa Power Generation and Sawary Join Forces

Akxa Power Generation strengthened its presence in the Middle East by signing a strategic distributorship agreement with Sawary, one of Saudi Arabia's well-established power generator companies. With this agreement, Sawary, which has been in service since 1975 and has an extensive sales and service network, will carry Akxa Power Generation's high quality products and service approach to the region. This cooperation is an important step that will enable Akxa Power Generation to achieve a more effective position in the global market.

Akxa Power Generation Rises Rapidly Among Türkiye's Biggest Companies

This year, Akxa Power Generation advanced 71 ranks, reaching the 263rd position in Capital Magazine's 'Türkiye's 500 Biggest Private Companies' list. This rise is a reflection of the Company's steady growth and strong financial performance in recent years.

We Constantly Enhance Our Support to Social Life

In 2023, Akxa Power Generation sponsored 106 events in a wide range of fields from music to football, technology to motorsports, energizing every part of society, from culture to sports. In this context, the Company supported Turkish football by undertaking the shirt sponsorship of 11 different teams in the Super League, stood by young talents at Teknofest and met the energy requirements of the Baku City Circuit in Azerbaijan.

AKSA POWER GENERATION

Aksa Power Generation continues to expand its sales network across the world by positioning its global goals at the principal focus of the growth strategy.

Aksa Power Generation continues to create products and systems that shape the industry by prioritizing energy efficiency.

FUTURE OUTLOOK

Long-term global targets lie at the heart of Aksa Power Generation's growth strategy. The Company aims to rank among the top three power generator producers in the world by 2025. Aksa Power Generation keeps an eye on potential opportunities across the Asian Pacific, African, South American and European markets to expand its worldwide sales network. It aims to grow its customer base and reinforce its leading position in Turkish market with its innovative customer-focus approach.

Aksa Power Generation adapts rapidly to the changing requirements of sectors it serves and creates solutions thanks to its flexible nature, and it expands the R&D investments continuously to provide quality and sustainable service to the customers and to catch up with the technology of the future.

Aksa Power Generation continues to create products and systems that shape the industry by prioritizing energy efficiency. As one of the first producers of natural gas power generators in Türkiye, the Company intends to expand its product range with a focus on hybrid solutions including the natural gas co-generation, trigeneration, and other gas implementations as well as energy storage. Aksa hybrid power generators are economic, effective, and environmental-sensitive power generator systems that are compatible with today's technology in which renewable energy resources are used in addition to other power generator systems.

Providing up to 70% fuel savings with integrated batteries and optional solar panels and wind turbines, hybrid power generators respect the environment with their low sound levels and low exhaust emissions. Aksa Power Generation aims to expand its hybrid energy solutions to leave a cleaner environment for future generations.

Domestic Sales Points

Aksa Power Generation provides services at the following 19 APCs (Aksa Power Center) located across Türkiye:

- Aksa Adana
- Aksa Anatolia
- Aksa Ankara
- Aksa Antalya
- Aksa Beyoğlu
- Aksa Bodrum
- Aksa Bursa
- Aksa Çorlu
- Aksa Denizli
- Aksa Diyarbakır
- Aksa Gaziantep
- Aksa İzmir
- Aksa Kağıthane
- Aksa Kayseri
- Aksa Marmaris
- Aksa Samsun
- Aksa Şanlıurfa
- Aksa Trabzon
- Aksa Trakya

Aksa Power Generation in Figures

| | 2022 | 2023 |
|-------------------------------------|-------------|-------------|
| Net Sales (USD) | 362,626,063 | 395,023,312 |
| International Revenues (USD) | 244,295,364 | 251,172,311 |
| Share of International Revenues (%) | 67% | 64% |



Different destinations are reached through different routes

Vasco de Gama, one of Europe's most accomplished explorers during the Age of Exploration, is known as the first person to travel directly from Europe to India. In 1498, he navigated around the Cape of Good Hope, opening a direct route to India and unlocking new pathways to countries rich in spices and agricultural products.

As Kazancı Holding, we have demonstrated our ability to succeed in strategic sectors through new initiatives. Agriculture and tourism are vital to the Turkish economy and our collective future. Akxa Agriculture contributes to the development of the sector through two farms, operated in accordance with EU standards, located at İnanlı and Gelemen Agricultural Enterprises on a total area of 25,000 decares. Established in 2004, Akxa Tourism creates a unique impact in summer and winter tourism with its Mirada Exclusive Bodrum, Mirada Del Mar, Mirada Del Lago, and Mirada Del Monte brands, thereby providing both memorable experiences for its guests and added-value to the economy.





AKSA TOURISM

Best service target in tourism

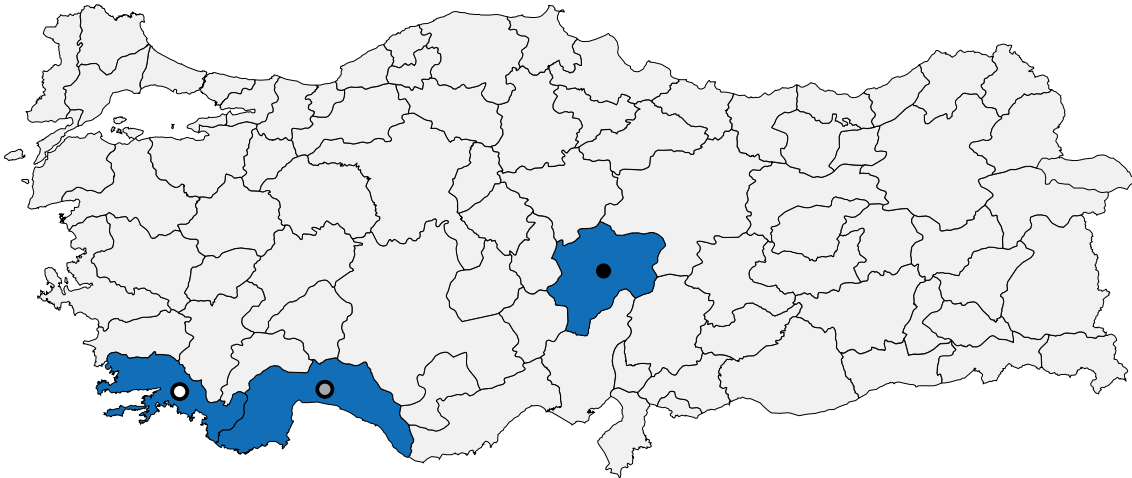
Aksa Tourism keeps making investments to renovate the hotels at full speed so as to provide a better service to its guests.

4
Number of Hotels

902
Number of Rooms

1,982
Bed Capacity

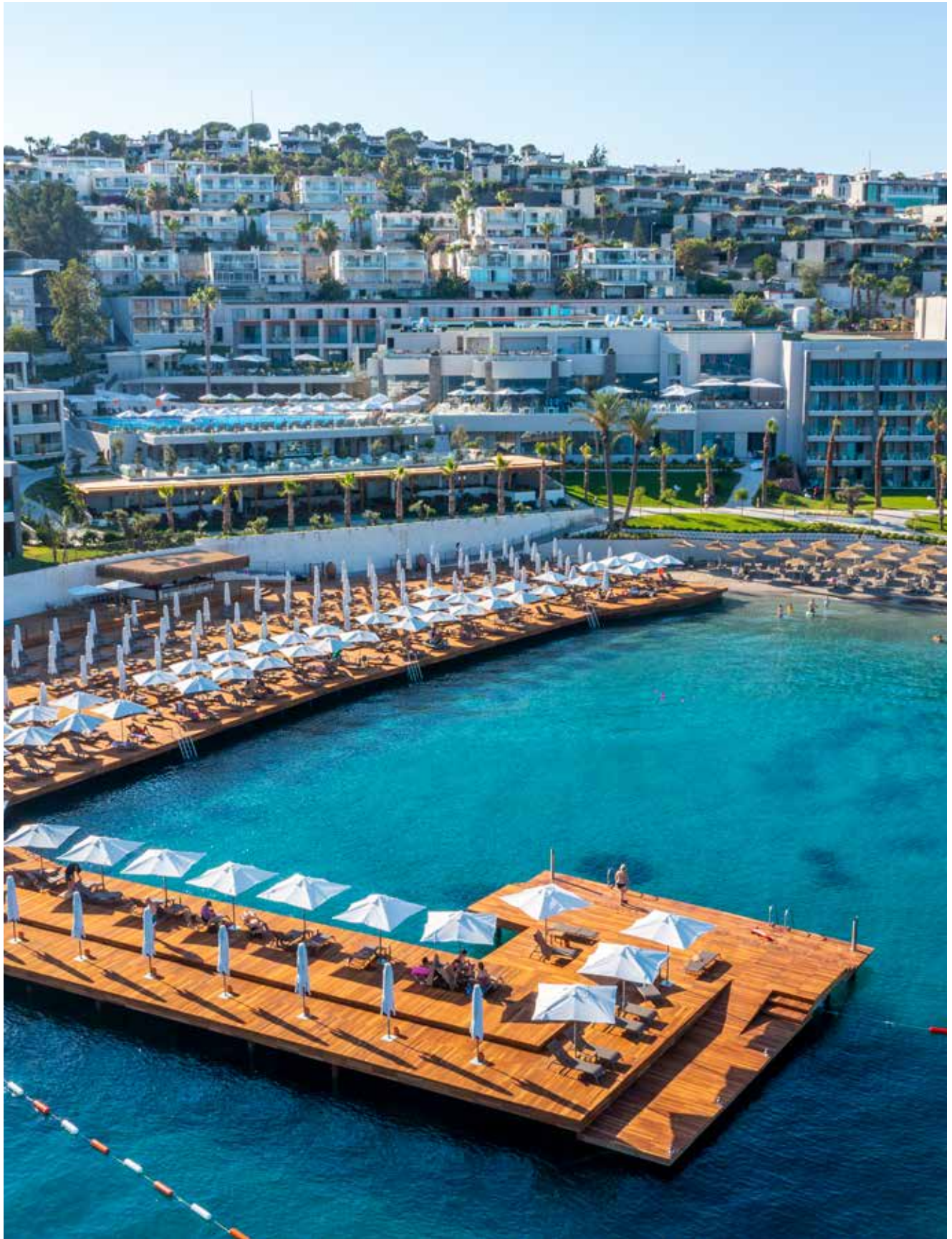
Tourism Enterprises



○ Muğla - Mirada Exclusive Bodrum

○ Antalya - Mirada Del Mar Hotel

● Kayseri - Mirada Del Lago Hotel and Mirada Del Monte Hotel



AKSA TOURISM

Growing its brand value in tourism industry with the hotels in its portfolio, the Company keeps focusing on its value-added operations aimed at the future with an ever-growing excitement.

49%
**2023 Average
Occupancy Rate**

Adopting an innovative approach, Kazancı Holding makes investments that create value for Türkiye in every business area where it operates. Kazancı Holding established Aksa Tourism with the brand Mirada & Resorts in 2004 and officially entered the tourism sector in 2005 with Mirada Del Mar Hotel in Antalya.

Aksa Tourism later renovated the two social facilities it acquired in Erciyes Mountain, Kayseri in 2006, introducing them to Turkish tourism in 2007 as 4-star and 3-star hotels, respectively. In 2021, it upgraded the Kayseri-based Mirada Del Lago Hotel to 5 stars.

Always aiming for excellence in the tourism sector, Aksa Tourism opened its latest hotel Mirada Exclusive Bodrum in Asarlık, one of the most beautiful bays of Bodrum, in June 2022.

Aksa Tourism renovated the hotels to provide higher quality service to its guests. As of year-end 2023, Aksa Tourism operates 4 hotels with a total of 902 rooms and 1,982 beds.

Mirada Del Mar Hotel

The 5-star Mirada Del Mar Hotel is Kazancı Holding's first investment in the sector. It is located in the Göynük town in Kemer, Antalya.

Mirada Del Mar Hotel's architecture and landscaping boast a unique design; it is located on an area of 100,000 m² surrounded with pine trees, with a total of 542 rooms each with a view of the sea, forest, or garden. Additionally, it contains 14 meeting halls, largest of which can seat 800 people, all equipped with the latest technology, that can be used for various gatherings and events.

Aksa Tourism undertook a number of renovations in the facility and rooms to deliver better service to Mirada Del Mar Hotel guests, including installation of water purification and energy monitoring systems to ensure energy efficiency for ecological purposes.

Mirada Del Lago

Situated in Erciyes, Kayseri, Mirada Del Lago Hotel is the first and highest bed capacity hotel in Mount Erciyes. Located 28 km from the airport and designed by observing modern architecture, the hotel upgraded from 4 stars to 5 stars in 2021.

The Hotel is located 300 meters away from ski slopes that are 37 km long, where cable car and chairlift services are also available. Mirada Del Lago Hotel contains a main restaurant and an à la carte restaurant where exceptional dishes can be sampled. It contains an indoor pool with heating, a sauna, and traditional Turkish bath, as well as a conference room equipped with the latest technology, which can seat 150 people, for various gatherings and events.

Mirada Del Monte

The 3-star Mirada Del Monte Hotel houses 96 beds in 54 rooms and is located only 50 meters away from the winter sports activity center, serving its guests on the slopes of the highest mountain in Central Anatolia, Mount Erciyes, since 2007.

111,948
**Number of Rooms
Sold**



Aksa Tourism continues its investments in line with guest expectations each year. The Company plans to further expand its bed capacity as possible market opportunities arise over the medium term.

Mirada Exclusive Bodrum

Kazancı Holding opened its latest hotel Mirada Exclusive Bodrum in Asarlık, one of the most beautiful bays of Bodrum, in June 2022. Mirada Exclusive Bodrum, which served its customers in 2023 in line with its capacity, aims to continue this understanding in 2024.

Mirada Exclusive Bodrum offers an Ultra All-Inclusive concept that encompasses various areas such as gastronomy, health and wellness, allowing for personal discovery and maintaining a theme dedicated to individual development. Mirada Exclusive Bodrum aims to provide holiday lovers with a comfortable and enjoyable holiday experience by offering many facilities such as carefully designed modern and luxurious rooms, private beach areas, swimming pools, fitness center and its own brand Mia Spa.

FUTURE OUTLOOK

Aiming to achieve sustainable growth in the tourism market, Aksa Tourism continues its investments in line with guest expectations each year. The Company plans to further expand its bed capacity as possible market opportunities arise over the medium term.

Planning to continue its growth in the hotel sector in 2024 and beyond, in 2023, Aksa Tourism completed the second phase of investments at Mirada Exclusive Bodrum and expanded the facility from 114 rooms to 226 rooms, thereby demonstrating its commitment to growth. With Mirada Exclusive Bodrum, the group's efforts to strengthen its corporate identity have gained momentum. Growing its brand value in tourism industry with the hotels in its portfolio, the Company keeps focusing on its value-added operations aimed at the future with an ever-growing excitement.

Aksa Tourism in Figures

| Operational Data | 2022 | 2023 | Change (%) |
|-------------------------|-------------|-------------|-------------------|
| Number of Rooms | 927 | 902 | -2% |
| Bed Capacity | 1,892 | 1,982 | 4% |
| Number of Rooms Sold | 116,443 | 111,948 | 13% |
| Number of Beds Sold | 225,717 | 222,235 | 16% |
| Occupancy (%) | 48.3 | 49 | 38% |

AKSA AGRICULTURE

Amongst the top 10 farms in cattle breeding and milk production

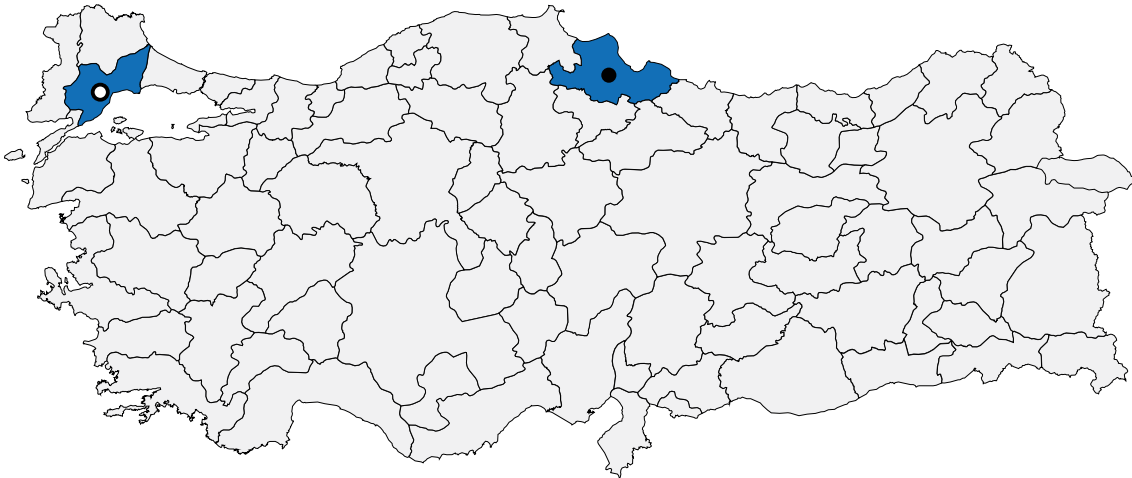
Aksa Agriculture is among the top 10 farmers in meat and dairy production in Türkiye with a capacity of 26,365 cattle in total.

23,680 Tons
Milk Production

18,000 Heads
Breeding Cattle

8,365 Heads
Dairy Cattle

Agricultural Enterprises



○ Tekirdağ - İnanlı Agricultural Enterprise ● Samsun - Gelemen Agricultural Enterprise



AKSA AGRICULTURE

Two farms run by Aksa Agriculture in line with the EU standards contribute to the development of agriculture and livestock industry in Türkiye through a sustainable perspective.

22
Thousand Tons
Annual Pellet Feed
Production

In order to convey its longstanding corporate experience to the agriculture industry, Kazancı Holding rented İnanlı and Gelemen Agricultural Enterprises for 30 years, after they were opened for lease by the General Directorate of Agricultural Enterprises in 2005. Two farms run by Aksa Agriculture in line with the EU standards contribute to the development of agriculture and livestock industry in Türkiye through a sustainable perspective.

Aksa Agriculture is among the top 10 farmers in meat and dairy production in Türkiye with a capacity of 26,365 cattle in total. Alongside dairy and livestock farming, the Company's value-driven operations include fruit gardening, grain farming, silage corn production, sunflower, sugar beet, and paddy (rice) cultivation.

İnanlı Enterprise

Aksa Agriculture engages in dairy cattle breeding, milk production, sheep and goat breeding, as well as agricultural production activities at its İnanlı Plant in Tekirdağ. In this enterprise where the Company employs zoo-technicians, veterinarians and agricultural engineers who are experts in their fields, 23,627 tons of EU-certified chilled raw cow milk was produced in 2022. And, it reached a production capacity of 2,240 milking heads by the end of 2022.

İnanlı Enterprise adopts pioneering practices in livestock operations that it designed to minimize its environmental impact. Upon the completion of the barn investment and penetrating into the Turkish meat market in 2017, Aksa Agriculture completed the infrastructure, superstructure and recycling revisions in the barn in 2020.

In addition to breeding and dairy cattle farming, Aksa Agriculture cultivates two sets of crops annually at İnanlı Enterprise. 22 thousand tons of pellet feed are produced yearly alongside wheat, vetch, silage corn, and dry hay on an area of 11,163 decares.

Breeding Cattle (Heads)

| | |
|------|--------|
| 2022 | 7,524 |
| 2023 | 18,000 |

Dairy Cattle (Heads)

| | |
|------|-------|
| 2022 | 4,989 |
| 2023 | 8,365 |

Milk Production (Tons)

| | |
|------|--------|
| 2022 | 23,627 |
| 2023 | 23,680 |

Silage Corn Production (Tons)

| | |
|------|----------|
| 2022 | 13,140 |
| 2023 | 3.292.84 |

100%
İnanlı Enterprise
Capacity
Utilization Rate



Aksa Agriculture commissioned a 1.5 MW biogas recycling facility to repurpose and recycle solid animal waste at Gelemen Enterprise with GZL Energy in 2020.

As a result of regular investments made since 2015, İnanlı Enterprise includes the following as of year-end 2023:

- 4 closed system barns with 480-head capacity,
- 2 closed system barns with 240-head capacity,
- 4 closed system barns with 200-head capacity,
- Semi-open system barn with 500-head capacity,
- Open system feeding barn with 6,000-head capacity,
- Calf sheds with 450-head capacity,
- Delivery barn with 250-head capacity,
- 2 German Rotary milking facilities with 40 units,
- 1 40-unit parallel milking system,
- 8 silage wells with 2,000-ton capacity, 3 silage wells with 2,500-ton capacity, and 2 silage wells with 1,500-ton capacity,
- Pellet feed facility with a production capacity of 5 tons/h,
- Drip irrigation system covering a 4,000-decare area

Gelemen Enterprise

Since 2017, Aksa Agriculture Gelemen Enterprise have undertaken efforts to choose suitable types of crop and to increase the yield by considering the crop productivity of previous years as well as the area's geographical and environmental properties. The yields for barley, wheat, sunflower, and corn are above the regional average at the Gelemen Enterprise. Furthermore, the enterprise commenced rice production in 2018 and continues with its activities based on a cooperative production model formed with local farmers who know the region's characteristics well.

Always adopting an environmentally-sensitive approach across its operations, Aksa Agriculture commissioned a 1.5 MW biogas recycling facility to repurpose and recycle solid animal waste at Gelemen Enterprise with GZL Energy in 2020. In addition, the Company has fulfilled its mission on environmental waste and air pollution by making use of solid/liquid animal manure, enterprise feed residues, plant and vegetable residues recycled from livestock farming operations in 2021 at its biogas facility.

As a result of regular investments made since 2015, Gelemen Enterprise includes the following as of year-end 2023:

- Barn with three 5,200 m² indoor areas and three 3,000 m² outdoor areas,
- Barn with three 5,000 m² indoor areas and three 3,800 m² outdoor areas,
- 1 Barn with 2,000 m² indoor area and 1,035 m² outdoor area,
- 1 Barn with 1,270 m² indoor area and 950 m² outdoor area,
- Feeding barns with a capacity of 20,000 heads with an indoor area of approximately 33,870 m² and an outdoor area of 22,350 m²,
- 450 decares of net covered apple orchard,
- Drip irrigation system covering a 3,000-decare area

AKSA AGRICULTURE

Aksa Agriculture maintains agricultural production by expanding its product diversity at its Gelemen Enterprise, which has 8,000 decares of cultivated land - with 450 decares being dedicated to growing fruits - through the Good Agricultural Practices.

Aksa Agriculture has completed the administrative approvals of the SPP project, which shall have an installed capacity of 850 kW at its İnanlı Enterprise, and it is commissioned. The project shall also enable the enterprise to use sun-powered energy in its operations.

DEVELOPMENTS IN 2023

Aksa Agriculture continued to provide input for Turkish agriculture and animal livestock with the investments it made in 2022, which was spent in the shadow of climate events caused by global warming, especially drought.

The Company raised the number of cattle; the total number of dairy animals to 4,989; and the capacity utilization rate of the farm to 100% by the end of the year at the İnanlı Enterprise, the biggest milk production facility in Thrace region. Maintaining its daily milk production of 65 tons in the previous year, it increased its annual production by 26% to 23,627 tons.

Through the "Rutting Tracking System" that was deployed in September 2021, pregnancy performance from insemination increased by 95% compared to 2021 and female birth rates by 5% in 2022. Tapping into this boosted performance, the goal is to enhance the quality of the herd further more by focusing on the use of female seeds with high genetic criteria.

Aksa Agriculture increased the 230 heads of merino sheep purchased in 2021 by 50% to 455 heads in 2022.

Aksa Agriculture continued sunflower, wheat, barley, and oats cultivation at the İnanlı Enterprise, whose cultivated area grew to 11,163 decares year-on-year. Despite the negative impact of drought, food issues, rise in commodity prices, as well as rises in meat and milk prices on production and capacity utilization, the Company has uninterruptedly sustained its efforts and investments aimed at increasing efficiency.

Samples taken from each animal and milk were analyzed in the laboratory environment as part of full health screening procedures in İnanlı Enterprise in 2022. As a result, findings were clean and the enterprise continued to hold the "Disease Free Enterprise" and "EU Certified Dairy Farm" certifications.

Maintaining its investment in an environmental-friendly manner, Aksa Agriculture has completed the administrative approvals of the SPP project, which shall have an installed capacity of 850 kW at its İnanlı Enterprise, and it is commissioned. The project shall also enable the enterprise to use sun-powered energy in its operations.

Focusing on livestock breeding and agricultural production at the Gelemen Enterprise, Aksa Agriculture imported 3000 cattle from, mainly including Angus, Hereford and crossbreeds from Uruguay, during the accounting period.

Gelemen Enterprise started a new project in 2022 with the breeding of Simmental breed pregnant heifers brought from Germany and Austria, and contributed to the country's animal husbandry by selling pregnant heifers to the people of the region and many local producers in Türkiye.

Aksa Agriculture maintains agricultural production by expanding its product diversity at its Gelemen Enterprise, which has 8,000 decares of cultivated land - with 450 decares being dedicated to growing fruits - through the Good Agricultural Practices. Starting sunflower cultivation for the first time at the Gelemen Plant in 2019, the Company expanded its sunflower production area in 2022, and Gelemen became the only sunflower cultivation plant in the region registered with the FRS (Farmer Registration System). In this area, it has reached a productivity above the Türkiye's average.

Gelemen Enterprise began to produce sugar beet seedlings in 2018. Through the increased production areas every passing year, the enterprise continued to produce seedlings on an area spanning 259 decares in 2022.

In addition, Aksa Agriculture undertakes the "Warranty Productivity Model" in rice project. Accordingly, the Company has entered into an agreement, concerning the allocation of land, with a rice producer that is familiar with the climatic and geographical conditions of the region. Quality crops are produced in the soil processed through cutting-edge fertilizers and environmental-friendly pesticides. Aksa Agriculture aims to increase performance-driven productivity and quality every single day through this system.

Aware of its environmental responsibilities, Aksa Agriculture completed the biogas recycling project first launched in 2018 at Samsun Gelemen Enterprise to repurpose and recycle solid animal waste. The biogas facility was commissioned in 2020. Production operations were launched in 2021 in the facility. The facility continued production in 2022.

Aksa Agriculture has completed a major part of the SPP project with a power of 1,101.6 kWp / 732 kWe and that it started to carry out at the Gelemen Enterprise in 2021. The SPP project, the installation phase of which was completed in 2022, has been commissioned and contributes significantly to the region's electricity and the enterprise.

FUTURE OUTLOOK

In the upcoming period, Aksa Agriculture plans to establish a study program with expert instructors actively serving at leading national universities, especially from the field of dairy farming. With this program, Aksa Agriculture shall further develop its activities scientifically and institutionally by equipping its employees with the latest academic information.

Aksa Agriculture imported 4,965 cattle from Uruguay and collected domestic livestock from various regions of Türkiye in its Gelemen Enterprise. This way, it not only provided significant input to Turkish economy, but also responded to the increasing workforce demand through the local employment opportunities created. Further support shall be extended for both the local employment and the regional economy with a focus on apple production as well as livestock breeding in the coming period.

In 2023, Aksa Agriculture Gelemen Enterprise produced a total of 3,101 tons of apples in its 450 decares of fruit growing activities, achieving great success over the apple yield per decare in Türkiye.



Aksa Agriculture in Figures

| Inanlı Enterprise | 2022 | 2023 |
|-------------------------|-------------|-------------|
| Milk Production | 23,627 tons | 20,207 tons |
| Dairy Cattle Breeding | 4,989 heads | 8,365 heads |
| Breeding Cattle Farming | 3,317 heads | 6,750 heads |
| Silage Corn Production | 9,254 tons | 10,284 tons |
| Hay Production | 10,864 tons | 7,878 tons |
| Walnut Production | 7 tons | 3 tons |
| Cereal Production | 585 tons | 267 tons |
| Sunflower Production | 25 tons | 0 tons |
| Pasture Grass | 308 tons | 174 tons |

| Gelemen Enterprise | 2022 | 2023 |
|--------------------------------|-------------------|------------------|
| Breeding Cattle Farming | 4,207 heads | 6,356 heads |
| Pregnant Heifer Breeding | 248 heads | 394 heads |
| Silage Corn Production | 3,919 tons | 3,292.84 tons |
| Grass Silage Production | 2,629 tons | 2,900.86 tons |
| Apple Production | 3,101 tons | 1,450 tons |
| Hay Production | 681 tons | 323,66 tons |
| Wheat Production | 338 tons | 344,58 tons |
| Rice Production | 1,556 tons | 2,238.78 tons |
| Sunflower Production | 163 tons | 108,26 tons |
| Barley Production | 1,059 tons | 558,2 tons |
| Sugar Beet Seedling Production | 11,250,000 pieces | 6,944,043 pieces |

SUSTAINABILITY STRATEGY

Sustainable and accessible energy target

Kazancı Holding aims to provide sustainable and accessible energy as well as sustainable products and services to all customers by producing energy in a cleaner way and making its consumption smarter.

Kazancı Holding is committed to a sustainable energy future. To achieve this goal, it aims to provide sustainable and accessible energy as well as sustainable products and services to all customers by producing energy in a cleaner way and making its consumption smarter. Through its core business, the Company is dedicated to enhancing people's quality of life and shaping a better future, all while actively combating climate change. The Company acts in a responsible, transparent, and competent manner in terms of sustainability to maintain the trust and respect of all stakeholders.

Our Sustainability Approach

- Providing clean, reliable, accessible and innovative energy products and services is at the heart of Kazancı Holding's mission.
- The UN Sustainable Development Goals (SDGs) and ESG constitute the basic framework of the Company's sustainability strategy.
- The Company aims for operational excellence and adopts conducting its activities in a sustainable, equitable, and inclusive manner for all stakeholders as a principle.
- Kazancı Holding's business and sustainability operations cover all SDGs; however, the Company focuses on the following four priority SDGs in its operations:
 - SDG 7, Affordable and Clean Energy
 - SDG 11, Sustainable Cities and Communities
 - SDG 12, Responsible Consumption and Production.
 - SDG 13, Climate Action



Basic Principles of our Sustainability Policy

- The Company moves forward with the vision of leaving a more sustainable world where resources are not depleted for future generations.
- The Company acts in compliance with national and international regulations on sustainability in the countries of operation.
- The Company integrates the sustainability approach into its business model to reduce environmental impacts and make sustainability a corporate culture.
- The Company adopts it as a principle to carry out its internal policies in an appropriate and systematic manner by gathering its sustainability efforts under a single roof.
- The Company carries out activities that support national, regional, and local development.
- The Company manages the direct impacts arising from its operations in the most effective manner and takes relevant measures to protect biodiversity and natural resources.
- The Company acts in accordance with business processes and policies that prioritize human rights, occupational health and safety with the approach of ensuring a safe and decent work environment, and conveys this understanding to all employees.
- The Company closely monitors the risks and opportunities brought about by climate change and carries out the necessary studies and collaborations.
- The company adopts technologies and practices that promote energy and resource efficiency.
- The Company supports technological development and implements pioneering projects with an approach which places R&D and innovation at the center.
- The Company invests in and promotes more efficient sustainable and clean energy technologies and builds capacity for the technical and human capabilities that support them.
- The Company implements end-to-end digitalization practices to ensure efficiency in all processes.
- The company adopts the lean production approach and circular economy principles in its operations.
- The Company improves the environmental and social impacts that can occur by taking into account efficiency and climate change mitigation goals (decarbonization) in the life cycle of the design, production and use of all its products and services.
- The Company encourages suppliers to transition to low-carbon production processes and supports them in achieving their sustainability goals.



- The Company promotes the responsible use of energy and sustainable use of natural resources, minimizes the impact of its operations, and raises public awareness on efficiency in the use of products and the purchase of services.
- The Company adopts a continuous performance improvement approach with the targets it sets.
- The Company adopts an inclusive approach toward the local communities it engages with, demonstrating responsiveness to their critical requirements and issues.
- The Company prioritizes the engagement with local suppliers in procurement processes within the framework of its approach to support the local communities with which it interacts.
- The Company develops best governance practices, communicates with its stakeholders in a fair, responsible, equitable, and transparent manner, and ensures stakeholder engagement.
- The Company embraces diversity and equal opportunity in all its activities.
- The Company pays special attention to contributing to society through its social responsibility projects.

Kazancı Holding Signs Global Compact for Leadership in Global Responsibility

In 2023, Kazancı Holding raised the bar one step further in the areas of global sustainability and social responsibility by signing the United Nations Global Compact.

Kazancı Holding's participation in the Global Compact, which provides a framework for companies' commitments in areas such as human rights, labor standards, environmental protection and anti-corruption, which are fundamental principles of the business world, emphasizes that the Company not only focuses on its financial achievements, but also strengthens its commitment to ethical values, social justice, and environmental sustainability principles. With this step, the Company has once again demonstrated its commitment to observing the welfare not only of today but also of future generations.

Sustainability Awareness Training

Kazancı Holding conducts comprehensive training programs to make sustainability a business culture and to act with this perspective at all decision points. In these trainings, the concept of sustainability is addressed at individual and corporate level, and important topics such as the UN Sustainable Development Goals (SDGs), Global Compact principles, ESG framework, and carbon and water footprint are discussed. Kazancı Holding aims to speak the same language and act with a shared approach by communicating its sustainability goals, material issues, and road map in its 2030 Global Strategy during these training programs. These training programs aim both to raise individual awareness and to ensure that business processes are carried out with a sustainable approach.

ENVIRONMENTAL SUSTAINABILITY

“Carbon neutral” goal in all activities

Kazancı Holding monitors greenhouse gas emissions, calculates its carbon footprint, and implements mitigation measures in its products, services, and investments in line with a life-cycle approach to achieve its “carbon neutrality” goal.



Biodiversity is strongly embedded in Kazancı Holding's sustainability approach and priorities.

Kazancı Holding Environmental Policy

- The Company considers protecting nature and the environment an integral part of its mission: “To produce reliable, sustainable, and value-adding energy solutions.”
- The Company considers sustainability and, in this context, the improvement of the environment as an important driving force to achieve its vision.
- The Company establishes and effectively implements an environmental management system in compliance with the United Nations Sustainable Development Goals, UN Global Compact, ESG (Environmental, Social and Governance), national and international environmental regulations and standards, and best practices.
- The Company makes investments and develops solutions in clean energy, energy efficiency, innovative energy technologies, and smart grids in order to contribute to sustainable development goals, support global energy transformation, prioritize the fight against the climate crisis, and achieve “carbon neutrality” goals.
- The company respects people and the environment. Leaving a clean and healthy environment for future generations is a key priority.
- The Company acts proactively in protecting the environment. It makes environmental awareness a part of its corporate culture.
- It ensures efficient use of natural resources in all processes.
- With a business model and practices that respect nature, biodiversity, and historical and artistic heritage, the Company responds to stakeholders' expectations regarding environmental protection and supports transparency.
- The Company protects all species, especially habitats, endangered species and endemic species in the places where it operates, and manages the impacts on biodiversity in a sustainable manner.
- The Company adopts the principle of protection (preventive) and continuous improvement in environmental management.
- The Company integrates the principle of protecting and improving the environment into all its activities and processes.
- The Company regularly assesses the environmental impacts that can be caused by its activities.
- The Company applies the sequential approach of preventing, minimizing, repairing and/or compensating for environmental damages that can occur in order to manage the environmental impacts of its activities.

- The Company expects its business partners and other stakeholders to respect the environment and contribute to its protection, and supports the raising of their environmental awareness.
- The Company expects its suppliers to establish and continuously improve environmental management systems in order to increase their environmental performance in line with national and international regulations, sustainable development and circular economy principles, and to commit to environmental protection.
- The Company monitors greenhouse gas emissions, calculates its carbon footprint, and implements mitigation measures in its products, services, and investments in line with a life-cycle approach to achieve its "carbon neutrality" goal.
- In order to ensure the sustainable utilization of natural resources, the Company ensures the rational and sustainable use of water in its operations, manages the risks of water scarcity and ensures that the water used is returned to the environment.
- The Company establishes waste management systems and processes in full compliance with national and international regulations to promote environmental sustainability.
- The Company minimizes waste generation and encourages recycling. It ensures the recycling of recyclable materials in order to comply with the Zero Waste principle and minimizes the impact of waste on nature.
- The Company implements regular training programs to inform and install environmental awareness in all employees.
- The Company periodically reports on the realizations of its approaches, policies, and practices aimed at protecting and improving the environment within the framework of transparency.

We Have Taken an Important Step to Contribute to a Sustainable Future in the 100th Year of the Republic

In the 100th year of the Republic, Akxa took an environmentally sensitive step and implemented an important donation project, donating 10,000 saplings to create a memorial forest on behalf of its 10,000 employees. Akxa's project aims to make a significant contribution to the goals of protecting nature and leaving a clean environment for future generations. The "Akxa Memorial Forest," which will be created by planting 10,000 saplings on behalf of the Company's employees, will contribute to the ecosystem by preserving the environmental balance and support the increase in green areas.

Kazancı Holding and Isparta University of Applied Sciences to Work for the Protection of the Anatolian Leopard

Continuing its efforts to protect biodiversity and endemic species in Türkiye, Kazancı Holding will cooperate with Isparta University of Applied Sciences (ISUBÜ) for five years in



"Environment, Nature, and Wildlife Education and Research" projects. The aim of the agreement is to protect the Anatolian leopard, which is thought to be extinct in Türkiye, and to ensure the public's awareness about the importance of the issue.

Reducing and Effectively Managing Waste Is Among Our Main Areas of Focus

Kazancı Holding's Head Office, which meticulously continues its efforts to reduce, reuse, and recycle as part of its waste management efforts, holds a Zero Waste Certificate from the Ministry of Environment, Urbanization and Climate Change. Within the scope of the Zero Waste Regulation, 6,523 kg of waste was recycled in 2023. This prevented the emission of 723.6 kg of greenhouse gases and the cutting down of 108.15 trees.

Kazancı Holding and Biodiversity Approach

Biodiversity is strongly embedded in Kazancı Holding's sustainability approach and priorities. For this reason, the Holding has included conducting studies on endangered animal and plant species in every geography in which it operates among its goals.

Since 2015, Akxa Energy has been working to determine the ecology of mountain gazelles, striped hyenas and red deer, as well as to protect brown bears and lynx living in Türkiye.

The emergence of scientific records of the presence of the Anatolian leopard, which was last observed in Anatolia 50 years ago, in Antalya in 2019 and the steps taken in this regard are very promising for the

protection of biodiversity in our country. Kazancı Holding has also identified its strong structure with the panthers and signed a cooperation protocol with Isparta University of Applied Sciences, which has been working on this project for a long time, to protect the Anatolian leopards, its presence in Anatolia, and the biodiversity of our country. During this project, the teams consisting of Kazancı Holding employees are actively involved in the field together with researchers from Isparta University of Applied Sciences. The teams that participate in information and awareness-raising activities, camera trap installations, wildlife observations, etc., first receive training from academics on the relevant subjects and then take roles in the field in accordance with this training. Thanks to the camera traps installed within the scope of the project, the movements of the Anatolian leopards and wildlife species are monitored and information about the ecosystem and habitat in the region is obtained. In addition, the training programs are organized within the scope of the project to raise awareness among local people, especially children, in the region where the camera traps are installed.

The protocol, which is an exemplary university-institution cooperation in Türkiye, will be in force for five years. The aim of the project is to protect the Anatolian leopard, which is thought to be extinct in Türkiye, and to ensure the public's awareness about the importance of the issue.

ENVIRONMENTAL SUSTAINABILITY

Aksa Natural Gas directs its activities to minimize the environmental impact of its operations and contribute to the protection of the environment.

All operations of Aksa Natural Gas are designed to fulfill all requirements of environmental regulations.

AKSA NATURAL GAS AND THE ENVIRONMENT

Environmental Policy

Aksa Natural Gas sees protection of nature as critical to achieving sustainable growth. The Company shapes its business operations around minimizing its environmental footprint and contributes to efforts for preservation of the environment. Aksa Natural Gas shall continue working toward the goal of leaving a healthy environment for future generations while abiding by all legal and regulatory requirements. With this vision, Aksa Natural Gas has formulated an Environmental Policy based on the following principles:

- Safely minimizing the environmental footprint of the Company's operations in collaboration with all its stakeholders and leaving a healthy environment for future generations,
- Adding value to the environment and quality of life by ensuring continuous improvement in compliance with applicable environmental legislation, under the scope of ISO 14001:2015 Environmental Management System,
- Using natural resources in an efficient manner to minimize waste and prevent pollution at the source,
- Preventing and keeping under control the possible environmental impacts of subcontracted companies,
- Supporting all stakeholders deemed relevant in terms of environmental training and practices to actively promote environmental sustainability and development.

Environmental Risk Management

All operations of Aksa Natural Gas are designed to fulfill all requirements of environmental regulations. To ensure sustainability of its operations, the Company meticulously identifies environmental impact and other related factors and regularly updates inputs and outputs of all business processes.

At each company in licensed regions, Aksa Natural Gas review the environmental risks identified by the Environmental Committee on a yearly basis and keep them under control through a proactive approach. The Company sorts such identified risks according to their severity:

- Striving to eliminate risks at the source,
- Replacing high hazards with lesser ones,
- Implementing engineering measures,
- Making use of ergonomic approaches.

With ISO 14001:2015 Environmental Management System, Aksa Natural Gas aligned its strategical approach with the environmental management system, while also improving the organization's environmental performance.

The Company applies the requirements of the Environmental Management System to all of its business operations and is audited by relevant accredited organizations on a yearly basis to maintain its system certification and validate its compliance with the system.

Waste Management

Waste management and environmental permits are key components of the environmental management approach at Aksa Natural Gas. Distribution companies in Aksa Natural Gas license regions reduce, reuse, recycle and dispose of wastes arising from their activities in accordance with the relevant regulations and fully fulfill the obligations imposed by the regulations.

Different types of waste are sorted accurately and kept in storage areas under appropriate conditions. Waste is prevented from contaminating the soil and water during storage. All waste is then delivered to disposal firms licensed by the Ministry of Environment and Urbanization within the time frames set out by the Waste Management Regulation. Aksa Natural Gas disposed of 51,3 tons of hazardous and non-hazardous waste in 2023.



Aksa Natural Gas designed and put into service the Environmental Management Module as an additional module in the development studies of the Aksa OHS software it uses across distribution companies. In this application, all hazardous and non-hazardous waste is monitored with unique waste codes, and current amount of waste is tracked and instantaneously reported upon demand.

Waste management training for Company personnel, especially waste management teams, are completed on an annual basis. The division of labor is determined for everyone and employee awareness is raised as regards collection of waste by category.

Natural Resource Management

Understanding that the biggest threat facing natural resources today is uncontrolled consumption, Aksa Natural Gas is committed to ensure efficient use of natural resources at all of its distribution companies. Under the "Zero Waste" Project launched by the Presidency of the Republic of Türkiye in 2019 and supervised by the Ministry of Environment, Urbanization and Climate Change, Aksa Natural Gas continued its efforts at 21 of its Regional Directorates in 2023. Putting the Zero Waste Management System in place, the Company assumed responsibility for sustainable resource management and preservation of natural resources.

Natural resource consumption levels are monitored on a monthly basis and duly minimized in Aksa Natural Gas. As part of the paperless office project, applications were transferred to digital platforms, enabling processes to flow in a fast and measurable manner. This saved paper, energy, and print cartridge.

Climate Change

Using clean energy resources with the smallest environmental footprint has become not simply a choice but an obligation for the future of our country and the world. Natural gas stands out as a highly important and widely available source of energy that is high quality, safe and clean, since it provides advantages to sustainable energy policies and carbon economy management. Thanks to expansion projects, natural gas which became accessible for Türkiye's 81 provinces in 2018 is widely offered to use within the borders of the relevant province.

Observing an inclusive balance and focusing on a responsible and sustainable approach in all of its operations, Aksa Natural Gas conducts R&D studies for greener alternatives to meet the increasing energy demand. It aims to become one of the leading companies in green transformation by developing new generation energy technologies and integrating hydrogen energy produced from renewable resources into the natural gas distribution process.

Impact of Natural Gas on Reducing Carbon Emission

Carbon emissions are ever-increasing as a result of uncontrolled population growth, the use of fossil fuels, industrialization, increase in global energy requirement, increasing urbanization requirements, reduction of green areas, and uncontrolled release of greenhouse gases into nature, leading to climate change. In recent years, when the effects of climate change have been increasingly experienced, the whole world has realized that the damage to nature must be reduced. Aksa Natural Gas also

endeavors to generalize environmental-friendly natural gas and raise awareness on this issue, and in this context, it implements practices and projects to minimize carbon emissions. Natural gas, which is cleaner than other types of fuel, contains almost no sulfur and organic sulfur compounds. For this reason, natural gas does not pollute the atmosphere like other fuels. Due to its low carbon content, its carbon dioxide emission, which creates a greenhouse effect in the atmosphere and is toxic to human health, is half compared to solid fuels. In other words, using natural gas reduces carbon emissions significantly compared to other fuels.

Aksa Natural Gas, continuing its efforts to expand the use of natural gas throughout Türkiye and to raise awareness of citizens about the environmental effects of carbon-intensive fuels such as coal, plays an active role in reducing air pollution in the cities where it operates.

Operating in 27 city centers and 298 districts and towns, Aksa Natural Gas achieved a reduction of 10.3 million tons in carbon emissions in just one year by replacing coal use with natural gas in its license regions. This is equivalent to the amount that a forest of 434 million trees can eliminate.

ENVIRONMENTAL SUSTAINABILITY

Aksa Electricity once again maintained its leadership in this area with 1,635,224 MWh of I-REC certificate sales in 2023.

Aksa Electricity Group Distribution Companies consider environmental protection a prerequisite for sustainable growth and service.

AKSA ELECTRICITY AND THE ENVIRONMENT

Electricity Sales Companies

Aksa Electricity Sales Companies strive to establish the necessary framework to help evaluate and minimize their operations' impact on the environment, protect and efficiently use natural resources, and support the efforts aimed at contributing to the environment.

As part of this, Aksa Electricity raised its contribution to environmental sustainability with the environmentally-sensitive business models that it has recently developed. The company supports customers who want to limit their environmental impacts with sustainable and environmental-friendly projects such as green energy supply, electric vehicle charging stations, and installations of solar power systems that offer end-to-end energy solutions. The sale of International Renewable Energy Certificates (I-REC) by Aksa Electricity prevents tons of carbon emissions and contributes to saving hundreds of trees. The Company once again maintained its leadership in this area with 1,635,224 MWh of I-REC certificate sales in 2023.

Aksa Electricity also raises awareness of its customers on the protection of the environment through its communication efforts to direct them to electronic bills instead of paper ones.

Electricity Distribution Companies

Environmental Policy

Having ISO 14001:2015 Environmental Management System certificate, Aksa Electricity Group Distribution Companies regard environmental protection as a prerequisite for sustainable growth and service. It implements social responsibility projects to raise environmental awareness in the regions where it operates and supports a sustainable environment. Within the scope of sustainability, Çoruh EDAŞ and Fırat EDAŞ focus on identifying the environmental dimensions that may arise directly or indirectly in their operations in line with the decarbonization target, which is one of the main components of the fight against climate change, and undertaking improvement efforts to prevent environmental dimensions' impacts.

In addition, Çoruh EDAŞ and Fırat EDAŞ have implemented an Environmental and Sustainability Management Policy consisting of the following principles in compliance with all relevant legal regulations:

- The company moves forward with the vision of leaving a more sustainable world where resources are not depleted for future generations.
- Acting in compliance with legal regulations within the scope of sustainability in the regions of operation,
- Integrating the sustainability approach into the business model to reduce environmental impacts and make sustainability a corporate culture.
- Carrying out activities that support regional and local development,
- Taking relevant measures to protect biodiversity and natural resources,
- Acting in accordance with business processes and policies that prioritize human rights, occupational health and safety with the approach of ensuring a safe and decent work environment, and conveying this understanding to all employees.



- Identifying and closely monitoring the risks arising from climate change and carrying out the necessary studies and collaborations,
- Integrating technologies and practices that support energy and resource efficiency into its operations,
- Supporting technological development and implementing pioneering projects with an approach which places R&D and innovation at the center.
- Investing in and promoting more efficient sustainable and clean energy technologies and building capacity for the technical and human capabilities that support them.
- Implementing end-to-end digitalization practices to ensure efficiency in all processes.
- Adopting lean management approach and circular economy principles in its activities,
- Improving the environmental and social impacts that can occur by taking into account efficiency and climate change mitigation goals (decarbonization) in the life cycle of the design, production, and use of all products and services.
- Encouraging its suppliers to transition to low-carbon production processes and supporting them in achieving their sustainability goals.
- Promoting the responsible use of energy and sustainable use of natural resources, minimizing the impact of its operations, and raising public awareness on efficiency in the use of products and the purchase of services.
- Adopting a continuous performance improvement approach with the targets it sets.
- Adopting an inclusive approach toward the local communities it engages with and demonstrating responsiveness to their critical requirements and issues.
- Prioritizing the engagement with local suppliers in procurement processes within the framework of its approach to support the local communities with which it interacts.

- Developing best governance practices, communicates with its stakeholders in a fair, responsible, equitable, and transparent manner, and ensuring stakeholder engagement.
- Embracing diversity and equal opportunity in all its activities.
- Attaching special attention to contributing to society through its social responsibility projects.
- To take necessary precautions during business processes to reduce the amount of waste generated at the source as a result of their activities in the "electricity distribution" market,
- Ensuring disposal of waste that cannot be prevented at the source without damaging the environment to prevent pollution,
- Meeting all relevant compliance obligations within the scope of the Organization's operations,
- Improving the Environmental Management System continuously,
- Monitoring and controlling the environmental impacts of business operations regularly,
- Ensuring employee participation in environmental management activities and endorsing environmental awareness and consciousness by all possible means,
- To deliver future generations the environment that was left to us, without polluting it.

Environmental Aspect Impact Analysis

Aksa Electricity Group Distribution Companies perform all of their works within the framework of the legal regulations and strictly adhere to the applicable laws, rules and regulations related to environment and conduct regularly environmental dimension impact analysis. As part of this, they bring the prior environmental risks under control by reviewing them every year with proactive approaches.

In line with the national occupational standards, electricity distribution network operation and maintenance teams and field technical operation teams implement environmental protection standards and

methods by means of the training provided within the environmental protection activities. With the aim of reducing environmental risks, Field technical operation teams also;

- Conduct sorting and classification processes for the recycling of recyclable materials,
- Separate hazardous and dangerous waste from other materials in compliance with instructions and store them temporarily according to their code by taking precautions as necessary,
- Prevent waste in temporary storage areas from contacting soil and water and store it in accordance with waste management regulations,
- Deliver waste stored properly to licensed waste disposal companies authorized by the Ministry of Environment, Urbanization and Climate Change,
- Ensure necessary occupational health and safety precautions are taken to shield from possible damaging environmental impacts caused by certain functions of the devices, equipment, and instruments used,
- Assess and eliminate security shortcomings inside and outside of buildings within the electricity distribution network,
- Determine locations to securely store flammable and combustible material or support such efforts,
- Attach great importance to preventing environmental impacts within the scope of this environmental management awareness.

Waste Management

Waste management and environmental permits make up the most significant part of the environmental management system of Çoruh EDAŞ and Fırat EDAŞ. The Companies reduce, reuse, recycle and dispose of wastes arising from their activities in all provinces within their license regions in accordance with the legislation by giving these processes to the relevant licensed institutions authorized by the Ministry of Environment, Urbanization and Climate Change, and fully fulfill the obligations imposed by the legislation.

In 2023, Electricity Distribution Companies saved 10,375.315 kWh of energy by sending 3 tons and 498,812 kg of plastics and metals and 33,652 wooden timbers to the recycling facilities.

Permits and Certificates

Fırat EDAŞ and Çoruh EDAŞ were certified for each province they are responsible for in terms of

- Environmental permit exemptions,
- Letters on waste water connection,
- Medical waste agreements,
- Waste management plans,
- "Zero Waste Certificate" within the scope of the Zero Waste Regulation

As part of Zero Waste Certification activities, indoor bins, waste from offices are recycled using written banners, outdoor containers, and contracts with recycling facilities, and awareness is raised among employees through informative training programs organized as part of the Zero Waste Project.

ENVIRONMENTAL SUSTAINABILITY

Aksa Energy is committed to conducting its operations in an environmentally sensitive manner for a sustainable future with the principle of "efficient use of resources."



AKSA ENERGY AND THE ENVIRONMENT

With the principle of "efficient use of resources," Aksa Energy runs its operations in an environmentally conscious manner for a sustainable future and aims to continuously improve its sustainability performance. The Company strives in any case to make a difference in the sector through its efforts to minimize the environmental effects of energy generation operations, as well as through environmental management practices that cover every step of the value chain.

Aksa Energy has adopted an Environmental Policy to ensure that this understanding is institutionalized and embraced by all stakeholders. The Environmental Policy of Aksa Energy is based on four main pillars: climate change, natural resource management, waste management and conservation of biodiversity.

Establishing a Framework Environmental Management System (FEMS) in order to determine the objectives and targets related to the Environmental Policy, to manage, monitor, and control the activities in accordance with this policy, the Company has been granted the following certifications: ISO 14001 Environmental Management System, ISO 9001 Quality Management System, ISO 50001 Energy Management System, ISO/IEC 27001:2013 Information Security Management System, and ISO 45001 Occupational Health and Safety Management System.

In addition, the documentation process for the prioritized dissemination and improvement of the practices related to Integrated Management Systems (ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and ISO 45001 Occupational Health and Safety Management System), which remain valid at the Headquarters, has been completed at Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant and Bolu Göynük Thermal Power Plant. The works are ongoing at the Ghana Power Plant. Documentation and action management of all management systems have been moved to the online document management system.

In addition to coordinating this system at the head office, the HSE-Q (Health, Safety, Environment-Quality) Department leads activities at domestic power plants. In 2022, the HSE-Q team continued efforts to implement this system in overseas power plants.

Aksa Energy continues without respite to analyze the impact of its existing generation units on the environment. Also, the Company regularly conducts environmental impact assessments for new-generation facilities to be built.

Aksa Energy continues its activities in Uzbekistan power plants with an installed capacity of 740 MW, where the generation was started in 2022, considering all environmental impacts. Aksa Energy, which will bring efficient and clean energy such as natural gas to Uzbekistan with these power plants, has taken all environmental precautions by evaluating its ecological impacts before construction and operation. Maintaining its sensitivity to the soil, water, and air in Uzbekistan, the Company continuously monitors the effectiveness of the environmental measures it took. Aksa Energy obtained all the necessary legal environmental permits in this respect and became the first private natural gas power plant project in Uzbekistan to receive environmental permits.

Aksa Energy actively encourages responsible environmental management processes among all stakeholders, especially employees. To this end, the Company administers training programs to its employees and raises awareness among suppliers.

Aksa Energy continued its investments in environmental issues and maintained its efforts to minimize the environmental impact of energy generation activities and improve its performance in 2023.

The most significant example of the importance Aksa Energy attaches to environmental investments is Bolu Göynük Thermal Power Plant. Bolu Göynük Thermal Power Plant – the only power plant in Türkiye with fluidized-bed boilers and wet flue gas purification systems – has met all legal and regulatory requirements stipulated by environmental legislation since it was commissioned in 2015, thanks to its advanced combustion and treatment technologies. The facility also holds the Environmental Permit and License Certificate for Air Emission, Waste Water Discharge and Regular Storage. The plant renewed this certificate in 2022 and obtained an Environmental Permit and License Certificate effective until 2027.



Aksa Energy started to convert the machines at the Ghana Power Plant into a dual-fuel system in 2023. In addition, the assembly of Continuous Emission Measurement Systems in all chimneys of the power plant was completed and they were commissioned during the year. Emissions at the power plant are monitored live.

Climate Change

Today, global warming and climate change are among the world's most important problems, where the integrated financial, geographical, and climatic conditions caused by globalization prevail. Aksa Energy is keenly aware of the energy sector's impact on the environment and it is also aware of its corporate responsibilities in this regard. Since 2015, Aksa Energy has regularly issued Greenhouse Gas Emission Reports to track greenhouse gas emissions at its existing power plants. After receiving the approval of the independent verification firm authorized by the Ministry of Environment and Urbanization, the reports are presented to the Ministry of Environment and Urbanization. Preparation of the Greenhouse Gas Emission Reports for 2023 started at the beginning of 2024, and on-site inspections are ongoing. The relevant reports will be submitted to the Ministry of Environment and Urbanization within the legal period.

In 2015, the Company signed The Trillion Tonne Communiqué, a declaration made by companies committed to addressing climate change and advocating for measures to combat it. This commitment reflects the Company's dedication to sustainable and responsible transformation and guides its energy investments accordingly. Aksa Energy considers energy efficiency a crucial component of its environmental policy to minimize the environmental impact of its activities and reduce greenhouse gas emissions.

With the combined cycle power plant technology, the Company utilizes the heat of waste gas emitted during production to generate energy for internal consumption, thereby cutting its energy consumption by 10% per unit. The Company generates energy from waste heat at all of its natural gas power plants and the Northern Cyprus Kalecik Heavy Fuel Oil Power Plant. Oxicat filters are also used in natural gas power plants in order to reduce greenhouse gas emissions.

Whereas Aksa Energy controls emissions instantaneously through continuous emission measurement systems installed at its domestic power plants, the air emissions of its domestic power plants are monitored online by the Ministry of Environment and Urbanisation.

Aksa Energy aims to invest in the field of renewable energy in the medium to long term within the scope of its goal of contributing to the global fight against climate change. By the end of 2023, the conversion of 9 out of 22 machines at the Ghana Power Plant to a dual-fuel system (natural gas and fuel oil) was completed. In 2024, 6 more machines are planned to be converted to a dual-fuel system. Thus, it is expected to ensure a reduction in carbon emissions.

Additionally, hybrid conversion work is underway to reduce carbon emissions by establishing a 35 MW solar power plant at the existing Göynük power plant site in Bolu. The 35 MW solar power plant is planned to be commissioned by the end of 2024.

ENVIRONMENTAL SUSTAINABILITY

As part of its medium and long-term renewable energy investments, Akxa Energy continues to work on storage-integrated wind and solar power plants.

With a EUR 5.3 million investment, Akxa Energy installed decarbonization facilities at Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant and Bolu Göynük Thermal Power Plant.

As part of its medium and long-term renewable energy investments, Akxa Energy continues to work on storage-integrated wind and solar power plants, which are planned to be commissioned between 2026 and 2027. Within the scope of preliminary license applications, EMRA approved storage-integrated wind power plant preliminary licenses in 2023 as follows: 100.08 MW in Mersin, 82.16 MW in Manisa, 110.76 MW in Afyonkarahisar, 118.04 MW in Balıkesir, 140.91 MW in Eskişehir and 88.96 MW in Kayseri. With the addition of storage-integrated solar power plants—50 MW in Kırşehir, 100 MW in Eskişehir, and 40.5 MW in Gaziantep, totaling 190.5 MW—the Company's total installed capacity of storage-integrated wind and solar power plants in the preliminary license stage has reached 831.41 MW.

Natural Resource Management

At Akxa Energy, innovative initiatives for efficient water use constitute the main practices for the conservation of natural resources, which are declining at an alarming rate. The Company, which shapes its operations with an effective management system to minimize water consumption, uses water from various sources, including network, surface and ground, depending on the region in which the Company's power plants are located.

In this context, the decarbonization systems in Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant and Bolu Göynük Thermal Power Plant help conserve water in production processes.

With a EUR 5.3 million investment, Akxa Energy installed decarbonization facilities at Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant and Bolu Göynük Thermal Power Plant. With these facilities, over 403,387 m³ of water was saved at the power plant in Antalya, and over 1,454,550 m³ of water was saved at the power plant in Bolu in 2023.

Moreover, Çatak Pond was created through a TRY 17.5 million investment at Bolu Göynük Thermal Power Plant. The seawater desalination system installed at Akxa Energy's Northern Cyprus Kalecik Heavy Fuel Oil Power Plant meets 100% of the facility's water requirements.

Waste Management

All waste is disposed of in keeping with applicable laws, rules and regulations, and in line with the Company's Environmental Policy.

Akxa Energy's activities to recycle hazardous and non-hazardous waste resulting from production processes are carried out in the periods specified in the Waste Management Regulation. Hazardous waste released as the result of the operational processes is stored in temporary waste storage areas at the plant sites, where its contact with the external environment is cut off to prevent jeopardizing human health and the environment. Later, these materials are transported in licensed vehicles to recycling or disposal facilities, at regular intervals. Packaging waste is sent to recycling companies contracted by municipalities in the regions where the facilities are located. Akxa Energy recycled 2,323.84 tons of hazardous waste in 2023.

The ash generated in Bolu Göynük Thermal Power Plant is stored in the Southern Regular Ash Storage Area.

As a result of the importance Akxa Energy places on waste management and the activities conducted in this context, all of our domestic power plants were granted the "Zero Waste" Certificate in 2023.



Protection of Biodiversity

Aksa Energy continues its operations with a special focus on possible environmental impact on species living in its areas of operation. The Company regularly monitors, evaluates, and reports the impact of its operations on biodiversity.

Aksa Energy cooperated with the Hatay Nature Conservation Association (TAKODER) from 2015 to 2021. Within the scope of this collaboration, Aksa Energy first sponsored a Conservation Project for Hatay Mountain Gazelles to support conservation of the mountain gazelles and their habitats in Türkiye. Afterward, the Company contributed to the project determining the current status of the striped hyenas residing near Kırkhan Gölbaşı village in Hatay and obtaining information about their living spaces and ecology in 2016 and 2017. Photo-traps were placed in the animals' habitats to be able to observe the striped hyenas. Thanks to this initiative, it was also confirmed that the rock gerbil (*Gerbillus dasyurus*), which was thought to be extinct, still lived in Türkiye.

In 2018, Aksa Energy implemented a project in cooperation with TAKODER - Hatay Nature Conservation Association to study the presence and ecology of red deer around Yedigöller National Park. The project helped identify the species' population size and density, distribution, habitat, nutrition and food resources, social behavior, relationship with humans, and the elements that pose a threat to the species, as well as the measures to be taken to protect them. The study also presented notes to raise awareness among the public and to preserve and sustain the population of red deer, the symbol of the region's biological diversity.

In 2019, Aksa Energy initiated activities in Bolu for the conservation of brown bears (*Ursus arctos*) which are the biggest predators and the only bear species living in Türkiye. This initiative aimed to identify the threatening factors in the geographic areas that the species inhabits while establishing protection measures in the Yedigöller region of Bolu province to preserve species in the region and to raise awareness among the public. Informational signage was planned to be placed in road networks and areas where tourism activities are conducted; and ecological bridge passages were identified. Additionally, measures taken to protect the species were reported to the Bolu Branch of the Nature Conservation and National Parks.

Adding a new initiative for the protection of biodiversity in 2020, Aksa Energy carried out a project in Bolu, where it operates, in order to reveal the existence of the Bobcat (*Lynx lynx*), to identify the factors that threaten the species and to set forth protection recommendations. Within the scope of the project, the Company focused on the lynx species, which is threatened according to the International Union for Conservation of Nature (IUCN) Mediterranean Biodiversity assessment, and contributed to analysis to identify the factors that threaten the species and set forth protection recommendations. During the project, carried out to contribute to the sustainability of these lynxes - rare in Türkiye and generally found in Bolu - other species were determined, and various ecological data collected. That these lynxes still inhabit relevant region is an indication that the ecosystem is functioning properly.

In 2021 and 2022, Aksa Energy collaborated with Eastern Mediterranean University to study the habitats of Mediterranean Monk Seals in the TRNC coastal area. The breeding, sheltering, and wandering areas of seals in this zone were identified and mapped with the project.

ENVIRONMENTAL SUSTAINABILITY

Aksa Power Generation ensures waste management effectively, works on improvements to decrease the consumption of natural resources and the use of energy resources, and benefits from renewable energy.



Aksa Power Generation utilizes the sun, a renewable energy source, for the energy consumption of the Çerkezköy plant.

AKSA POWER GENERATION AND THE ENVIRONMENT

Aware of its responsibility towards the world and future generations, Aksa Power Generation focuses its operations on environmental sustainability. With this understanding, Aksa Power Generation effectively manages waste, works on improvements to reduce the consumption of natural resources, undertakes efforts to reduce the use of energy resources, and utilizes renewable energy.

Aksa Power Generation successfully meets all the requirements set by the Ministry of Environment, Urbanization, and Climate Change and obtained an Environmental Permit and License for its new factory in Çerkezköy.

For the powder coating process at Çerkezköy Türkiye Production Facility, the Company established a process line that is more insulated, generates less waste, and reduces unnecessary consumption of powder coating by applying the powder coating effectively. In addition, the Company began to use electrical transporters instead of fuel transporters (forklifts etc.) within the factory. Thus, the consumption of non-renewable fuels was reduced, and the quantity of hazardous waste arising from the maintenance-repair of these transporters was also minimized.

Acting with the awareness of the importance of renewable energy in the combat against the climate crisis, Aksa Power Generation utilizes a solar energy system for the energy consumption of its Çerkezköy factory. In this way, it has started to obtain 60% of the internal energy consumption from the sun which is a renewable energy resource.



As a result of the zero waste efforts carried out at the Çerkezköy plant since 2022, Akxa Power Generation was entitled to receive a "Zero Waste Certificate" from the Ministry of Environment, Urbanization and Climate Change in the 2023 operating period. As part of the zero waste project, the Company continues its efforts to reduce waste generation, sort waste at its source, and recycle it. In this context, packaging waste, paper waste, metal waste, plastic waste, glass waste, and hazardous waste are collected separately and waste paper and plastics are recycled.

Akxa Power Generation shaped its sustainability approach on environmental measures and best practices. To this end, Akxa Power Generation established the Environmental Management System, which pledges to:

- Fulfill the legal obligations in Türkiye and in other countries, to periodically evaluate them and ensure their continuity,
- Always strive to improve its environmental performance,
- Work to raise environmental awareness of its employees, their families, and society at large,
- Ensure the re-utilization of waste generated as a result of its activities,
- Minimize the amount of waste causing water, air, and soil pollution and undesirable impacts such as noise and vibrations and to dispose non-recyclable waste in the required manner,
- Ensure that energy, raw materials, and natural resources are used efficiently,
- Consider environmental impacts when evaluating new investments,
- Guide the suppliers and contractors providing goods and services about the environment

Akxa Power Generation's environmental protection efforts can be divided into the following three categories:

Generation

- When dyeing the cabins and chassis it produces, Akxa Power Generation uses TGIC-free triglycidyl isocyanurate and lead-free polyester powder coatings, which are both ecofriendly and non-toxic to human health.
- Wastewater generated at the Company's Istanbul-based production facilities is discharged to Çerkezköy Organized Industrial Site's Sewer after being processed at the treatment plant to prevent any negative impact to the environment. As part of this, Akxa Power Generation has permission for Conduit-Type Sewer Connection for Çerkezköy Organized Industrial Zone.
- Upon demand, Akxa Power Generation supplies its customers with diesel engine gensets certified at European EU Stage 2, and American EPA (Environmental Protection Agency) Tier 2 and Tier 3 emission levels.

Recycling and Disposal

- Akxa Power Generation sends packaging, nylon and parcel waste from its sold products to ÇEVKO (Foundation for Environmental Protection and Packaging Waste Processing) under a contract signed with this entity. The packaging waste generated during production is collected separately and delivered to licensed recycling facilities for reuse.

- The waste oil generated during engine testing is sent to licensed firms for recycling.
- Waste sludge generated at the water treatment facility is dispatched to licensed hazardous waste disposal facilities.
- Waste batteries consumed in production or at the staff's homes are being collected and sent to the municipality for recycling.
- The Company collects the cooking oil used in the cafeteria and delivers it to licensed firms for recycling purposes.
- The Company's gensets are manufactured in line with the Waste Electrical and Electronic Equipment (WEEE) and Restriction of Hazardous Substances (ROHS) standards.
- In 2023, Akxa Power Generation contracted with licensed institutions for non-hazardous waste and hazardous waste generated as a result of its processes, and delivered to the relevant licensed institutions a total of 2,436 tons of non-hazardous waste for recycling and 46 tons of hazardous waste for disposal.

Preventing Noise Pollution

As the only Turkish genset manufacturer to conduct its own sound testing, Akxa Power Generation produces 28 different products that comply with the universally accepted IEC 34 (International Electrotechnical Commission) standards and undergoes audits by the notified body Szutest.

ENVIRONMENTAL SUSTAINABILITY

Leaving a more liveable world to future generations and protecting natural resources based on the works and processes as part of the Environmental Law make up the ground of Aksa Agriculture's environmental policy.

Aksa Agriculture held training for its employees in 2023 to raise their awareness of the Zero Waste Project.

AKSA AGRICULTURE AND THE ENVIRONMENT

Environmental Policy and Practices

Aksa Agriculture Business Units ensure reduction, sorting and recycling of the waste which is generated during its operations, at the source and the disposal of the waste that cannot be recycled, with the ideal procedures. Within this context, leaving a more liveable world to future generations and protecting natural resources based on the works and processes as part of the Environmental Law make up the ground of Aksa Agriculture's environmental policy.

In line with this policy, Aksa Agriculture held training for its employees in 2023 to raise their awareness of the Zero Waste Project.

In addition, within the scope of the Environmental Policy, the Company;

- Has placed collection equipment in necessary areas to enable employees to sort waste at the source.
- With the aim of preventing environmental pollution, it follows and complies with the legal and international legislations and meticulously obeys the commitments of Environmental Impact Assessment (EIA) to continuously improve the environmental performance of its enterprises.
- Endeavors on ensuring that all rainwater channels in the area of barns are cleaned at regular intervals, and rainwater that contacts with manure is taken into the manure ponds. Besides, it performs field cleaning periodically.
- Carries out regular health controls of cattle in the facility and applies specific equipment and procedures for the medical waste caused by medical responses.

In addition to these, Aksa Agriculture kicked off its revision activities for improving the waste storage areas in its facilities. The process is continued.

Waste Management

Aksa Agriculture sent hazardous and non-hazardous waste generated at Gelemen Facility to the authorized institutions that hold environmental permits and licenses. The waste that cannot be sent away are kept in the existing waste storage areas without giving harm to environment.

In 2023;

- 7,874 kg of hazardous waste was sent to recycling.
- 77,990 kg of non-hazardous waste was sent to recycling.
- 511,040 kg of organic waste was sent to landfill area.
- Manure from livestock activities is sorted as liquid and solid. The solid part is used as part of Green Energy at biogas facilities while the liquid part is utilized for agricultural purposes both in the enterprise and in the surrounding farmer lands.

As regards Koni İnş. San. A.Ş. Çarşamba Branch (Livestock Facility), in 2023, shipments were carried out to companies with Environmental Permit and License Certificates.

1. 645 kg of non-hazardous waste was sent.
2. 839 kg of hazardous waste was sent.

In 2023, 23,481 m³ of animal manure was generated and fermented for use in agriculture by liquid solid separation with the help of a separator, and 132 kg of domestic waste, resulting from the facility personnel's requirements for food and beverages, was reported in the Monthly Activity Report. The amount is calculated according to the number of animals in the facility between the reporting periods. It is included in the official records.

As regards Koni İnş. San. A.Ş. Samsun Branch, in 2023, shipments were carried out to companies with Environmental Permit and License Certificates.

1. 1.495 kg of non-hazardous waste was sent.



AKSA TOURISM AND THE ENVIRONMENT

Aksa Tourism adopts the mentality of “sustainable development and sustainable environment” in all its activities. In parallel with this mindset, the Company is committed to minimizing its waste, preventing pollution at the source, reducing its negative impacts on the environment, monitoring developments in technology to prevent pollution, and continuously enhancing its environmental performance.

To manage the Company's targets and priorities of sustainability, and to improve its performance, the quality, food safety, environmental and sustainability policy applied for its hotels is consistently taken into account and upgraded. Aksa Tourism warns its suppliers to take the necessary environmental precautions in all processes related to its activities in its hotels in its portfolio, provides trainings on environmental awareness to its employees, and invites its stakeholders to embrace this awareness by organizing encouraging activities to increase this awareness in its guests.

Aksa Tourism began to save significant amount of water with the “Gray Water Project” which was initiated in 2019 and put into practice in 2020, and ensures treatment and use of the waste water supplied from faucets and showers in the toilets of guests' bathrooms.

Aksa Tourism has set up bulletin boards and panels in its premises to share its environmental consciousness with its guests and raise their awareness on ecological issues.

Keen to learn its guests' suggestions and ideas on the protection of the natural environment, Aksa Tourism designed a questionnaire in four languages to collect these.

The Company also aims to reduce electricity consumption and enhance energy efficiency with an investment in an automation system that shall help monitor the entire consumption at its Antalya facility.

In the hotel, which has energy cards in the guest rooms, the air conditioners turn off automatically when the balcony or window is opened, depending on the automation.

The Mirada Exclusive Bodrum hotel, which joined the Company in 2021, also preferred comfort power plants with Eurovent certification. HYH High Performance Hoods, Fume Washers, Air Filtration Devices aim to reduce greenhouse gas emissions by filtering oily smoke and odor by 99%, as well as reducing the risk of fire to zero. Unused textile wastes are delivered to licensed companies affiliated with Bodrum Municipality and recycled. The hotel also aims to save electricity by increasing the number of dimmer switch systems.

In line with its waste management plan, Aksa Tourism disposes all types of waste in accordance with legal and regulatory requirements.

Aksa Tourism that periodically verifies its environmental protection-purpose data through the measurements within regulations aims to certify and ensure the continuity of its environment activities in this field by obtaining Green Star and ISO 14001 Environmental Management System certifications. Aksa Tourism aims to accelerate global sustainability practices in the tourism industry by joining the National Sustainable Tourism Program for the first time in cooperation with the Global Sustainable Tourism Council (GSTC), the world's top environmental and sustainability platform.

Aksa Tourism shall continue to enable its employees to act in line with its approach about environmental sustainability by raising their awareness on this subject, to support the projects which shall contribute to protection of national values and cultural richness and to encourage its employees to volunteer in the relevant social activities performed.

| Waste Type | Waste Amount | Energy Saving | Energy Saving per Unit |
|----------------------|---------------|---------------|---------------------------------------|
| Waste metal | 1,524,485 kg | 978,719 | 642 kWh for 1 ton of scrap metal |
| Waste plastics | 24,351 kg | 140,603 | 5,774 kWh for 1 ton of scrap plastics |
| Waste wooden timbers | 38,872 pieces | 7,445,599 | 4,100 kWh for 17 trees |

CORPORATE SOCIAL RESPONSIBILITY

Comprehensive training programs on energy

As part of the project “Energy for Tomorrow,” corporate communications teams of the Group Companies traveled to all parts of Türkiye and provided energy courses at the middle schools in villages.

Since the first day of the earthquake, Kazancı Holding and its group companies have continued their operations constantly to meet the energy requirements of the disaster region, while mobilizing all their resources to support the urgent requirements in the region.

Energy for Tomorrow

In 2019, Kazancı Holding’s energy companies – Akxa Energy, Akxa Natural Gas, Akxa Power Generation, and Akxa Electricity – joined forces for a major social responsibility effort: “Energy for Tomorrow.” As part of the project “Energy for Tomorrow,” corporate communications teams of the Group Companies traveled to all parts of Türkiye and provided energy courses at the middle schools in villages.

From the beginning of the project in March 2019 to outbreak of the pandemic, the team of volunteering corporate communications employees from Group Companies travelled more than 8,500 kilometers and reached approximately 2,500 students in 25 village schools in 23 cities. The team visited village schools in Van, Ağrı, Elazığ, Malatya, Balıkesir, Çanakkale, Trabzon, Rize, Amasya, Tokat, Ordu, Giresun, Zonguldak, Düzce, Bolu, İzmir, Manisa, Bursa, Bilecik, Adana, Mersin, Hatay and Osmaniye to provide comprehensive energy education to students in 5th, 6th, 7th and 8th grades.

The “Energy for Tomorrow” team covered every aspect of energy during the trainings, including energy resources, energy efficiency, efficient use of energy, energy literacy, the concept of clean energy, and energy generation. As well, the team explained the Group’s energy operations.

To reinforce students’ knowledge, an energy themed math game was developed specifically for the project in line with the math curriculum of the Ministry of National Education. Numerous experiments were used to educate the students in an entertaining way. At the conclusion of each event, students were presented with an Energy Encyclopedia, various stationery items and backpacks.

The educational content of the project -suspended due to the pandemic as of March 2020 was turned into an animated cartoon and shared on YouTube. In 2021, the Energy Encyclopedia, which provides information for children on many topics such as energy resources, energy efficiency, energy literacy, and clean energy, and the website www.enerjimizyarinlara.com, which includes the project cartoon, were created and the digital platform was made available to all children on April 23rd and presented to them as a gift.

Seed Balls Will Meet the Nature

Aiming to leave future generations an airspace where they can breathe safely and emphasizing in this direction that "It is in our nature" in all of its operations, Akxa Natural Gas has met with Ecoring, a social enterprise that develops sustainable, innovative, and technological solutions to combat global climate change, to reach an agreement. As part of the cooperation to be implemented, seed balls will be dropped in hard-to-reach areas in our country with ecoDrones for the subscribers at the end of 2024 and in the first quarter of 2025. Therefore, Akxa Natural Gas will continue to support reforestation and biodiversity efforts, aiming to green our planet by planting seed balls on behalf of its subscribers.

Kazancı Holding and Group Companies Have Been in the Disaster Region Since the First Day

Since the first day of the earthquake, Kazancı Holding and its group companies have continued their operations constantly to meet the energy requirements of the disaster region, while mobilizing all their resources to support the urgent requirements in the region. Kazancı Holding and its group companies, which operate in 8 of the 11 provinces declared as disaster regions, mobilized a team of 1,300 people in the earthquake region from the first hours of the disaster.

More than 4,000 Power Generators Allocated

In coordination with AFAD and non-governmental organizations, more than 4 thousand power generators were sent to the disaster region to be used in search and rescue operations. Furthermore, a total of 80 trucks containing basic needs and hygiene materials, including 12,000 winter clothes, 4,000 blankets, 1,500 sleeping bags, 1,500 heaters, and 200 tents, have been sent to the region to be delivered to the people in need in the region.

We Moved Our Employees to Safe Areas

On the second day of the earthquake, employees and their families who required shelter due to the disaster were relocated to Akxa Tourism Hotels in Kayseri and Antalya and to Akxa Energy's Şanlıurfa power plant to make them feel safe and comfortable.

Two living spaces have been established in Hatay and Malatya for 600 employees who require to stay at their places of duty.

Container City for 10 Thousand People

While supporting search and rescue operations, we focused on food and shelter issues, which are the most urgent requirements in the region. To this end, construction work to build container cities for 10,000 people has begun. The Group's first container city was opened in Yeşilyurt district of Malatya and life has begun.



Signatures for Ayşe Kazancı Technical High School

Kazancı Holding and its Group Companies also undertook the reconstruction of a technical high school in Malatya to support education in the earthquake region. A protocol was signed for the construction of a Technical High School to be named after Ms. Ayşe Kazancı at a signing ceremony held at the Governor's Office of Malatya.

Daycare Support for Akxa Mothers

Kazancı Holding launched daycare support for working mothers' children between the ages of 0 and 6. This positive step has an impact in the context of the United Nations' Sustainable Development Goals (SDGs), notably on Gender Equality and Quality Education goals. In pursuit of gender equality, it encourages women's participation in the workforce by enabling mothers to better balance work and family responsibilities. Furthermore, by supporting the goal of quality education, it facilitates access to early childhood education for children aged 0-6 years, fostering a healthier and more successful future for them. This initiative represents an important step as a reflection of Kazancı Holding's sustainability and social responsibility approach.

Aksaians are Pursuing Goodness!

Recognizing that education is one of the most important tools for building the sustainability of developed societies, Kazancı Holding ran the Istanbul Marathon on behalf of Darüşşafaka in 2023 with the "Istanbul M-2023 - Darüşşafaka - If Education is the Matter, We Run to Help Campaign." Darüşşafaka Foundation gives hope and opportunity to the leaders of the future by providing equal opportunities in education. The Company has once

again demonstrated its commitment to education, social responsibility values, and sustainability by participating in this marathon in order to keep this legacy alive and pass it on to future generations by adopting the philosophy of "If education is the matter in the 100th year of our Republic, we run to help!"

Akxa Sponsors Galatasaray Women's Volleyball Team

Akxa has signed a sponsorship agreement with Galatasaray Sports Club, becoming the front tights sponsor of the Galatasaray Daikin Women's Volleyball Team. With this cooperation, we aimed to expand efforts towards equal opportunities and the empowerment of women in all areas. The agreement signing ceremony was held at the Ali Sami Yen Sports Complex RAMS Park with the participation of Mehmet Cibara, Board Member of Galatasaray Sports Club, and Barış Erdeniz, Board Member of Kazancı Holding.

Akxa Search and Rescue Team Received Their Certificates

Volunteers who participated in Kazancı Holding's Search and Rescue Team, which was launched in response to the fact that we are required to be individually and institutionally prepared for natural disasters, successfully completed their training and received their certificates. After successfully passing the selection process, 28 Akxa Volunteers underwent 25 days of theoretical and practical intense training with the contributions of AFAD.

CORPORATE SOCIAL RESPONSIBILITY

Aksa Energy employs the human resources required in its regions of operation locally and creates employment opportunities in those communities and regions.

The “Your Energy, Your Painting” painting contest was organized on Aksa Electricity’s social media accounts with the participation of 5th, 6th, 7th, and 8th-grade students in 81 provinces across Türkiye, with the theme “Republic’s Centennial Energy.”

AKSA NATURAL GAS

Life Companion

Aksa Natural Gas firmly believes that providing equal opportunity to all segments of society is of utmost importance for the economic and social development of our country. In this context, the Company closely monitors the problems experienced in everyday lives of disabled citizens in Türkiye, representing more than 9 million people. In line with this vision, Aksa Natural Gas launched the “Life Companion” project in 2015 to facilitate the lives of disabled subscribers by providing much faster service in its areas of operation in case of emergency.

As part of the project, those who register in Aksa Natural Gas’ subscriber system and indicate that they are disabled are given priority in their calls to “187 (Natural Gas Emergency Line)” or “444 4 187 (Solution Center).” These special status subscribers are connected to a customer representative in 3 seconds on average. In addition, natural gas emergency teams are sent to their location without waiting for an explanation of the request. Providing emergency services for disabled subscribers who live alone in the event of a hazardous situation, Aksa Natural Gas gives priority to disabled subscribers who are connected to a customer representative for support and immediate assistance.

The number of disabled subscribers registered with Can Yoldaşı reached 5,513, and the Company responded to 2,482 incoming calls with an average call response speed of 3 seconds as of the end of 2023. The emergency teams reached 170 disabled subscribers and resolved their problems.

AKSA ENERGY

With the ultimate goal of creating value for all its stakeholders, Aksa Energy conducts activities that contribute to the economic, social and cultural development of local residents in the Company’s impact area.

The human resources required in the Company’s regions of operation are recruited locally, thus creating job opportunities for those communities and regions. As of the end of 2023, the local employment rate of the Company was 66.7% in Ghana, 63% in Madagascar, 64% in Mali, 76.7% in TRNC, 59.2% in Uzbekistan, and 73.7% in Congo.

Lasting value is created through infrastructure works and repair projects which aid the development of the local economy in the regions where the Company operates; complaints and requests communicated through the feedback mechanisms specialized to meet the diverse requirements and demands of stakeholders and the local public are assessed and Aksa Energy provides support to its stakeholders with various donations. In this context, donations of TRY 5,645,951 in total have been made during the year.

Aksa Fotofest 2023

The award ceremony and exhibition opening of the VIII. Aksa Fotofest Photography Competition, organized this year by Aksa Energy for the benefit of the Champion Angels Preservation Association, with the participation of President Ersin Tatar. At the ceremony, 54 winning works were exhibited for sale, with the proceeds to be donated to the Champion Angels Preservation Association.



AKSA ELECTRICITY

ELECTRICITY SUPPLY AND SALES COMPANIES

Your Energy, Your Painting

Organized by Akso Electricity Group Retail Sales Companies for the fifth time in 2023, the "Your Energy, Your Painting" painting contest was held on the Company's social media accounts with the participation of 5th, 6th, 7th, and 8th-grade students in 81 provinces across Türkiye, with the theme "Republic's Centennial Energy" to draw attention to the 100-year history and development of the Republic, the principles of Mustafa Kemal Atatürk, and the values of our country. 10 children received awards for their paintings and donations were made on behalf of all students who participated in the contest to the Educational Volunteers Foundation of Türkiye (TEGV) to provide qualified educational support to children in disaster areas.

Green Energy Certificate

Akso Electricity Sales Group has initiated the supply of energy generated entirely from renewable sources, adopting an environmentally conscious, environmental-friendly, and innovative approach to protect natural resources and support the reduction of carbon emissions.

Customers who choose to use environmentally conscious green energy from Akso Electricity receive the "International Renewable Energy Certificate (I-REC)."

Today, when the climate crisis is increasingly being felt and the future of a more livable world is being discussed by reducing emission rates, Akso Electricity aims to contribute to environmental sustainability by increasing its green energy supply, especially in the commercial and industrial groups. Thanks to many Akso Electricity customers who procure green energy, tons of carbon emissions were prevented and hundreds of trees were saved.

My Energy Guide

Akso Electricity Group Retail Sales Companies launched the "My Energy Guide" initiative under the slogan "To understand energy means to manage it." As part of this effort, a new section, entitled My Energy Guide, was added to the Akso Çoruh and Akso Fırat websites to raise customer awareness of energy use and ensure a sustainable future.

ELECTRICITY DISTRIBUTION COMPANIES

Çoruh EDAŞ "Energy Support Team" in the Earthquake Region

Çoruh Elektrik Dağıtım A.Ş. (Çoruh EDAŞ) continued its efforts to restore energy access in the earthquake-stricken Kahramanmaraş and Hatay provinces through fault repair operations for the affected population, ensuring the uninterrupted provision of basic necessities. Despite the fact that it is outside its own service area, the Company went to the disaster region from the first hours and took part in many activities such as the distribution of basic life necessities and feeding of stray animals with 40 vehicles and an Energy Support Team of 142 people.

Let Our Streams Run Clean

Based on its environmental awareness and sustainability approach, Çoruh EDAŞ teams came together to collect garbage from the streams in Uzungöl, Çaykara district of Trabzon, as part of the "Let Our Streams Run Clean" project as part of the June 5-11 Environmental Protection Week activities.

In alignment with its goal of generating sustainable added value and the principles of environmental protection, Çoruh EDAŞ teams actively contributed to preserving natural habitats by collecting plastic waste, plastic bottles, paper, and other garbage from streams. The teams collected the garbage thrown into the streams in Uzungöl, Trabzon, a popular tourist destination in recent years, and raised awareness by announcing that they would donate the blue caps found in the garbage to the Spinal Cord Paralytics Foundation of Türkiye.

University-Fırat EDAŞ Cooperation

A cooperation protocol was signed between İnönü University and Fırat Elektrik Dağıtım A.Ş. (Fırat EDAŞ) regarding R&D activities and education and training programs. The protocol aims to strengthen university-private sector cooperation and provide employment to qualified labor force.

"Clean Lake, Clean World" Event

Committed to sustainability and clean environment, Fırat EDAŞ teams came together for environmental cleaning on the shore of Elazığ Hazar Lake, believing that a cleaner world is possible. Following the event, the teams placed a wreath by the lakeside to honor the memory of the citizens who lost their lives in the earthquake.

AKSA POWER GENERATION

Following the devastating earthquake that struck Kahramanmaraş in February 2023, Akso Power Generation mobilized all of its resources to support citizens in the affected regions. During the reporting period, the Company collaborated with other Kazancı Holding companies to undertake significant social responsibility initiatives in the earthquake-affected region.

On April 23rd, National Sovereignty and Children's Day, Group Companies organized a festival for children in the Container City in Malatya, allowing them to celebrate together both the festival and Eid al-Fitr with joy.

In 2023, Akso Power Generation employees ran for good in the 45th Istanbul Marathon, the only marathon in the world spanning two continents. Company employees collected donations by running for Darüşşafaka.

CORPORATE SOCIAL RESPONSIBILITY

Following the earthquake disaster, Aksa Power Generation mobilized all its resources to support our citizens in the affected regions.

Wheelchair Basketball European Champions League Finals Sponsorship

Aksa Power Generation sponsored the Wheelchair Basketball European Champions League Finals organized by Beşiktaş Gymnastics Club on May 5-7, 2023, and hosted by BJK Akatlar Sports and Culture Complex and BJK Süleyman Seba Sports Hall on behalf of our country and millions of disabled citizens in our country. Aksa Power Generators and Beşiktaş Gymnastics Club, exhibiting an approach befitting their philosophy and stance in accordance with their social responsibility approach and embracing the disabled people, hosted a giant international organization and showed the bright face of modern Türkiye to the world. The championship is the highest point in the Disabled Basketball Calendar and represents the highest possible peak for the athletes. With the participation of Beşiktaş Wheelchair Basketball Team and 7 best teams of Europe, this organization has become the voice of our disabled people.

Fairs and Other Events

Fabrizio Mozzi, General Manager of Baudouin, delivered a speech at the cocktail event, which brought together the Company's dealers from the region.

In 2023, Aksa Power Generation participated in ICCI 2024 - International Energy and Environment Fair and Conference, informing visitors about CO₂ emissions in a fun way with the help of a virtual bicycle. Participants of the virtual reality (VR) event were presented with saplings purchased by the TEMA Foundation to emphasize the

Company's sensitivity to the environment. During the fair, Aksa Power Generation also exhibited its power generator with Stage 5 certificate, which is awarded to products with the highest environmental performance, and natural gas powered generators that produce more power while consuming less fuel, demonstrating that environmental impact will be taken into account in new investments.

In 2023, the Company also participated in the Antalya Diplomacy Forum, of which it is one of the supporters. Organized for the third time this year on the initiative of the Ministry of Foreign Affairs of the Republic of Türkiye, the Antalya Diplomacy Forum brought together heads of state and government, ministers, diplomats, business people, academics and think tanks.

Aksa Power Generation participated in the 7th Çerkezköy Industrial Fair organized by the Çerkezköy Chamber of Commerce and Industry in cooperation with the Union of Chambers and Commodity Exchanges of Türkiye and Çerkezköy Municipality in 2023. Aksa Power Generation, one of Türkiye's major exporters with its Çerkezköy production facility, was awarded by the Çerkezköy Chamber of Commerce and Industry.

In 2023, Aksa Power Generation employees ran for good in the 45th Istanbul Marathon, the only marathon in the world spanning two continents. Company employees collected donations by running for Darüşşafaka.

AKSA TOURISM

As part of its social responsibility activities, Aksa Tourism provides educational support to successful students identified by the affiliated municipalities by awarding scholarships.

Planning to develop a new corporate social responsibility initiative in the coming period, the Company targets benefiting from the products in the production farms of the Foundation for Children with Leukemia (LÖSEV) in food purchases for hotels, thereby providing financial support for treatment of the children with leukemia.



INFORMATION TECHNOLOGIES

Digital transformation program

Kazancı Holding develops pioneering initiatives in digital transformation and remote management, and strives to incorporate all kinds of new technologies into its infrastructure to achieve a more agile holding structure.

With the large-scale digital transformation program, Kazancı Holding adopted the principle of user-orientation and achieved operational excellence by centralizing and standardizing information technologies.

To manage its operations spreading across four continents, in the most efficient and the most reliable way, it develops pioneering initiatives in digital transformation and remote management and strives to incorporate all kinds of new technologies into its infrastructure to adopt a more agile holding structure. Maintained to prepare Kazancı Holding for future by ideally benefiting from the opportunities created by digital technologies, the digital transformation program is at the heart of the studies within this scope.

With the large-scale digital transformation program launched in 2016, Kazancı Holding adopted the principle of user-orientation and achieved operational excellence by centralizing and standardizing information technologies. Further strengthening its management muscles with advanced analytical applications, artificial intelligence, and robotics, the Company took steps to maximize customer satisfaction. Kazancı Holding signed Europe's biggest and most comprehensive SAP digital transformation program in 2023 and continued to embrace the principles of sustainability and user-orientation.

Kazancı Holding shapes its road map and investments in the field of Information Technologies (IT) for the purpose of consistently developing business manners of its Group Companies with a focus on operational excellence, customer satisfaction, and profitability. In 2023, it put the following projects into practice.

SAP TRANSFORMATION PROJECTS

SAP S/4 Transformation Project (Prestige)

The SAP S/4 Transformation Project, launched by the Electricity Group in April 2023, is a comprehensive project in which eight companies are involved in three separate systems with 11 modules and more than 20 integrations. The first phase of the project was completed in a short time and successfully commissioned on December 31, 2023.

This project aimed to optimize the system running on the existing SAP ECC and transform it to SAP S/4HANA. As part of the project, distribution companies were separated in accordance with regulations, investment and progress payment processes were established, and existing applications and integrations were improved and made suitable for centralization of the holding. The second phase of the project is planned to be completed in 2024.

Aksa Hotel SAP Transition Project

The S/4HANA e-application processes of Mirada Exclusive Bodrum, which operates under Aksa Tourism, have been put into practice; e-ledger, e-archive, e-invoice, e-dispatch note transactions have been made manageable through SAP.

SAP Transition Project of Aksa Foreign Companies

SAP transformation FI, CO processes were conducted at the beginning of the digital transformation processes of Aksa Netherlands, Talimarjan, and Ivory companies.

Intragroup Document Record Management

S/4 HANA system aims to prevent document losses, unreconciled documents and delays in the registration process by automatically generating manual documents other than intragroup invoices (Debit Receipt, Credit Receipt, Current Transfer Receipt, Maturity Difference receipt, Policy Receipt, Expense receipt, etc.) in the pre-registration status on the sending side on the side receiving final record.

PDPL Risk Assessment Report Activities

In SLC, it has become mandatory to attach D.02 document to company cards. For active companies, the Procurement staff will receive the original signed documents and can attach them to the SLC by scanning. The company will be able to indicate in its tender calls that "signing D.02 document is a requirement." Firms are required to submit the document during the bidding process, and firms that fail to do so are prevented from proceeding with the tender process. If the company that wins the tender does not submit the document with a wet signature, it would be made mandatory to add a PDPL document by SRM as regards the companies with which the company is actively working that do not send this document.

Online Collection with Official Institutions (ETTN)

In the postal money transfer payments of official institutions, the explanations written on the receipt made it possible to find the subscriber number through the integrator (Vakıf Participation Bank) and to make invoice payments.

SOFTWARE DEVELOPMENT

Aksa My Approvals Renewal Project

Aksa My Approvals Project aims to quickly carry out approval transactions performed through different platforms on a single central application. The application has been redeveloped using current software technologies. Integrations of two SAP systems and HR systems were carried out. Integration improvements of other systems with approval processes are ongoing in line with the plan. We aim to integrate all approval processes into the application and use the created structure in the AKSA Mobile application.

Paperwork 5.0 Transformation Project

The Paperwork application, a workflow and document management system used by Çoruh EDAŞ, Fırat EDAŞ, and AKSA Natural Gas, was upgraded to version 5.0 with updated technology and new features.

Aksa Charging Project

Improvements were made in charging stations and mobile applications in line with Turkish ID No./Tax ID No. authentication and regulatory demands.



Aksa Cargo Tracking

A Cargo Tracking Management System was developed and put into operation at all Kazancı Holding companies to efficiently manage and track cargo operations.

Aksa Portal Developments

Employee Profile Card, My Future AKSA, Meeting Room Reservation Management System, and EPIAŞ EPYS Reports were developed and commissioned in the AKSA portal system.

EPSAŞ Paperwork Processes

Additional improvements in existing flows and forms requested by Aksa Electricity Retail Sales Companies were completed, and new processes such as the Response Form Process, Invoice Analysis Process, Internet Sales Process, and Invoice Cancellation Process Revisions were developed and commissioned.

Çoruh EDAŞ and Fırat EDAŞ Workforce Management Implementation Project

The project aimed to develop an OHS-, efficiency-, and sustainability-driven application that is map-supported, developed with up-to-date technology, and integrated with external systems related to a large number of operations for fault, maintenance, and repair activities at Çoruh EDAŞ and Fırat EDAŞ companies. Project-related activities have been completed and commissioned.

Çoruh EDAŞ and Fırat EDAŞ Field Billing Application Project

The project aims to carry out field billing activities at Çoruh EDAŞ and Fırat EDAŞ with a map-supported application developed with the latest technology. Project-related activities have been completed and commissioned.

BUSINESS INTELLIGENCE PRACTICES

The Business Intelligence Group, joined the organization in 2018, and continues to deliver services with its global application architecture built on cutting-edge technology.

Necessary improvements were made to gather occupancy rates, reservation and budget data, and hotel performance indicators of Aksa Tourism's Mirada Exclusive Bodrum, Mirada Del Mar Kemer, and Mirada Del Lago & Del Monte under Hotel Dashboard to analyze and display hotel performance indicators by currency, agency, country, accommodation, room, and revenue type. Also, a dashboard was established to receive and interpret the comments of these hotels, the results of the surveys, and the results of semantic analysis.

IT Personnel Tracking, Supplier Effort Tracking, and Performance Management System studies were implemented with the ITSM tool. The Components Report and Effort List Report were developed to retrieve the efforts entered by the technicians in the ITSM application modules, calculate the compliance of the Improvement Requests with the time plan, monitor the SLA of the incident and request records, and report the average shutdown times and survey scores. Furthermore, a Supplier Report has been designed for IT groups to review and report on the efforts of suppliers.

INFORMATION TECHNOLOGIES

In the Electricity Retail Group, nearly 10 dashboards were designed, including Aksa Customer Solutions, Faturamatik Daily Reconciliation, Demand Forecast Report, Collection Report, Aksa Charging Report, and Additional Commercial Quality Reports.



In the Electricity Distribution Group, occupancy rate reports and customer analysis reports were prepared on the basis of regions and teams.

The Performance Management System has been established to monitor the KPIs of AKSA IT group, and the data from ITSM applications are shown in graphs and manual data in the table. Within the scope of the WFM Project, WFM source data integrations were made to the studies carried out in Çoruh and Firat EDAŞ regions and reports of WFM processes were prepared. Operation dashboards containing data on processes related to power generator production and operations were designed (Aksa Power Generation Rental, ASAKAI Dashboard).

In the Electricity Distribution Group, occupancy rate reports and customer analysis reports were prepared on the basis of regions and teams. In the Electricity Retail Group, nearly 10 dashboards were designed, including Aksa Customer Solutions, Faturamatik Daily Reconciliation, Demand Forecast Report, Collection Report, Aksa Charging Report, and Additional Commercial Quality Reports. A dashboard study was conducted to monitor the inventories of the Supply Chain Directorate within the holding. Continuous improvement and development were achieved according to the instructions of EMRA in Edvars (Electricity Distribution Data Warehouse

and Reporting System) reports. Reports have been drawn up to track financial and material inventories to be used in the energy sector.

Continuous improvements have been made in the Budget Planning Application in line with the demands from the sectors, and the Information Technologies Budget and actual follow-up have been designed in the budget planning application and monitored with the Business Intelligence reporting tool.

ANALYTICAL APPLICATIONS

Cost Calculation of Product Variants (Aksa Power Generation)

SAP codes were established for the products without SAP codes in the system and the costs of the products were calculated in detail in this process. Sales prices were then set based on costs. This method gave more flexibility to the pricing strategy of the enterprise. Now, in addition to pricing products based on their costs, the enterprise is enabled to respond quickly and effectively to customer demands. In addition, the use of SAP codes has rendered it easier to monitor and manage products. This enabled the enterprise to compete more effectively and respond better to customer requirements.

Aksa Service Spare Parts Inventory Optimization, Supply Time Determination and Forecasting (Aksa Power Generation)

Cost Savings: Inventory optimization helps enterprises to reduce their costs. Holding excess inventory increases storage and transportation costs. Optimizing inventory quantities and keeping only as much inventory as necessary help to reduce these costs. Thus, enterprises become more competitive by using their resources more effectively.

Cash Flow Improvement: Inventory optimization helps enterprises improve their cash flow. Reducing inventories accelerates the capital cycle of the enterprise because the amount of capital linked to inventories is reduced. A faster cycle increases the cash flow of the enterprise and ensures financial flexibility.

Accuracy in Demand Forecasting: Inventory optimization improves the accuracy of demand forecasts. Maintaining an optimal inventory level is fundamental to responding promptly and efficiently to customer demands. Demand forecasting through data analytics and predictive models allows enterprises to adapt more effectively to fluctuations in demand. This allows the enterprise to manage inventory levels more effectively and increase customer satisfaction.

Inventory optimization prevents the accumulation of idle inventory in enterprises. Maintaining excessive inventory can result in the waste of expired products or the products with low demand. Setting the right inventory levels and optimizing inventory management processes contribute to preventing such waste. This reduces the costs of businesses and increases their productivity.

The next stage of the previous inventory optimization project involves the segmentation of the products and the re-optimization of the inventory quantity according to these segments. This process aims to strike a balance between the costs associated with maintaining inventory and the costs incurred from not maintaining it. Using methods such as RFM analysis, data is classified based on sales volume and value. This optimizes inventory management by focusing on priority products and allows the development of inventory control policies tailored to different segments. Consequently, it improves operational efficiency by making it easier to determine optimal order quantities, reorder points, and safe inventory quantities for each segment.

Price-Order Decision Support and Approval System (Aksa Power Generation)

By digitizing the quotation and order approvals in the enterprise, the enterprise can determine the discount rate approval strategies and easily observe the history of these strategies. In addition, storing historical data provides the enterprise with the opportunity to analyze their past performance and determine their future strategies.

Production Cost Simulation Phase 1 (Aksa Power Generation)

A system is under development to transfer production costs from Excel form to a digital environment, analyze trends in prices, and instantly view costs as soon as a quotation is created. This system integrates Excel spreadsheets into a digital platform to track production costs in detail, keep data up to date, and analyze them. It also makes forecasts using historical data to identify price trends and provides an automated calculation mechanism for the prompt determination of costs during the quotation stage. Thus, costs can be managed more effectively and competitive edge can be achieved.

Price-Order Decision Support and Approval System (Aksa Power Generation)

By digitizing the quotation and order approvals in the enterprise, the enterprise can determine the discount rate approval strategies and easily observe the history of these strategies. In addition, storing historical data provides the enterprise with the opportunity to analyze their past performance and determine their future strategies.

10-Year Long Term Demand Forecast Report (Electricity Distribution)

According to the Regulation, a 10-year demand forecast for Çoruh EDAŞ and Fırat EDAŞ regions must be made and submitted as a report. In this development, 10-year demand forecasting is performed with the ARIMA (Autoregressive Integrated Moving Average) model and a report is prepared based on this forecast result.

127 Account Intragroup Balance Virement Cycle Algorithm (Kazancı Holding)

It is a common occurrence for invoices between intra-group companies to have differences in terms of due date. However, when payment cycles exist between companies, financial gains can be achieved by preventing the companies in the cycle from making interest payments. Prior to the project, five different systems were used for data tracking and work was carried out on these data for 1.5 days each week. With the implementation of the project, the data has been centralized and the most appropriate combination of millions of cycles can be selected automatically. The project has improved process efficiency and ensured more effective utilization of labor resources.

Market Analysis Model Automation (Electricity Sales and Trade)

The automation of the Market Clearing Price (MCP) model created by the market analysis department was realized. The model aims to estimate the MCP by calculating an optimal range of the coefficients entered intuitively and to provide these coefficients as the output of the model.

Consumption and Production Forecasting Study (Electricity Sales and Trade)

Includes electricity consumption forecast for Türkiye followed by MCP forecast. The suppliers are able to adjust their production and pricing strategies based on the MCP forecast and thus maximize their profits. For example, if the estimated MCP is higher than a supplier's cost, they can increase production to make more profit. One of the factors affecting the MCP price is the amount of electricity consumption. As part of the project, a system was developed to first estimate electricity consumption and then the MCP.

FlexMap Project (Natural Gas Distribution and Electricity Distribution)

The Project involves the adaptation and development of feature screens, query screens, reports and integrations in the AYS Web application, which is currently in use at Kazancı Holding's natural gas and electricity distribution companies, to run on FlexMap Web. This aims to make the systems work more efficiently and harmoniously. FlexMap is a platform-independent web application developed by taking into account the realities of the sector in Türkiye.

The Project aims to enable FlexMap to run on all globally recognized operating systems and web browsers without the requirement for any installation. This application offers significant advantages to organizations in terms of total ownership cost by moving some desktop requirements to the web. The ability to create all kinds of screens, reports, queries, and analysis tools with XML structure and FlexMap's platform-independent operation are among the important gains brought by the project.

HUMAN RESOURCES

The goal is to create value on a global scale

Kazancı Holding aims to create value on a global scale with its innovative corporate culture. To this end, the Holding considers highly qualified human resources as its greatest competitive advantage.

Kazancı Holding's HR policies, which are designed to continuously improve the competencies of its human resources, are shaped in line with long-term corporate goals.

Kazancı Holding acts with the awareness that its greatest strength is its highly qualified human resources and continues its operations in line with its goal of creating value on a global scale through its innovative corporate culture.

The Group demonstrates the importance of strong human resources through its Human Resources Policy, which is formulated around the approach: "Our most valuable asset is our human capital." The main objectives of Kazancı Holding's human resources activities include:

- Setting a best example in human resources practices in the sector,
- Managing all aspects of human resources related processes effectively in order to create competitive advantage,
- Forming the organizational structure of all Group Companies with individuals who are team players, open to change, productive, dynamic, and well-suited to our corporate values,
- Boosting corporate efficiency by implementing practices aimed at improving the performance and development of human resources.

The Group's human resources management approach includes preparing employees for the specific structure and requirements of the industries where it operates. The Group also adopts principles and implements practices to ensure that the staff remains dynamic in line with the Holding's strategic objectives.

Kazancı Holding places great importance on a sustainable human resources structure to achieve its long term goals. The Holding's human resources policies are designed for

continuous improvement of the Department's capabilities. The policies are modified and amended as needed in line with the company goals.

At Kazancı Holding, human resources management and practices are designed to position the organization as "the employer of choice for development-driven and productive professionals" among current and potential employees. This objective is achieved by creating a work environment that supports employee participation and continuous development while boosting staff performance and commitment.

The core values that form Kazancı Holding's approach to human resources include:

- Respect for people,
- A sense of belonging,
- Right person for the right job,
- Diversity management,
- Equal opportunities,
- Personal and professional development values.

Through a centralized human resources structure, Human Resources carries out all end-to-end processes such as selection and placement, remuneration and benefits, training, performance, and organizational development of all Group Companies gathered under 6 business areas.

Kazancı Holding's Human Resources Department ensures that Group Companies are prepared for the present and the future by adopting the right strategies best suited to their respective organizational structure. The Department's activities are based on an accurate understanding of the workforce's human resources related requirements and meeting those requirements with the most appropriate and efficient solutions.

Human Resources Activities and Employee Satisfaction

Kazancı Holding employees are open to change and innovation, dynamic, aware of areas of personal and professional improvement. They are members of a team where continuous development and creativity are actively encouraged, efforts are rewarded, and achievements are recognized.

Employee satisfaction and a sense of belonging are the core components of Kazancı Holding's human resources vision. To this end, it continues to develop and implement policies to boost staff loyalty. In 2023, the Employee Engagement and Experience Survey was conducted in collaboration with Kincentric, involving approximately 10,000 employees and achieving a 67% participation rate. Communication, analysis, and action plan studies have been initiated for the results obtained.

Kazancı Holding regards the diversity of its human resources as a valuable part of its organizational structure and a key feature of its intellectual capital. The overarching aim of Kazancı Group's human resources policy is to provide employees with equal opportunities. The Group is firmly against discrimination based on race, religion, language, gender, and sexual orientation. Kazancı Holding embraces universally accepted human rights principles and staunchly opposes child labor and forced labor.

Kazancı Holding places great importance on employee satisfaction. To this end, certain benefits and discounts are provided to staff members via business partnerships within the Group. Cookshop, one of the Group's brands, and hotels operated by Akxa Tourism provide all Kazancı Holding employees with discounts. In addition, significant advantages are provided to employees by making discount agreements with various leading institutions in Türkiye on issues such as health and education. In addition, to support women's employment in Türkiye, the Kindergarten Support Practice was launched for all mothers whose children between the ages of 0 and 6 attend kindergarten.

In 2021, Kazancı Holding formed the Akxa Basketball Team - composed of employees from Group Companies - to participate in the inter-company basketball tournament. The Akxa Basketball Team that exhibited strong performance at the court in many matches shall continue to exist in the field of basketball by also bringing the team spirit to the game in 2023, as well.



Competency Model

Kazancı Holding addresses its competency model into two categories: "Basic Competencies" and "Managerial Competencies." The competency dictionary identified within the organization and the behavioral indicators that serve these competencies are also observed and serve the performance process. In this way, competency-based assessments nurture talent management, which is a valuable part of the same process, and support talent development-driven trainings.

Basic Competencies

- Self-Development
- Relationship Management
- Collaboration
- Process-Driven
- Result-Driven

Managerial Competencies

- Leadership
- Management with Goals
- Openness to Change and Innovation
- Strategic Planning

Kazancı Holding's human resources practices allow the Group to provide its employees with fast and efficient support, and play a huge part in increasing the productivity and performance of different functions. In order to adapt to the world that has developed and transformed due to the pandemic, it has started to plan more efficient, dynamic, and effective projects every year with new trends in all HR processes and operations carried out, aiming to increase employee satisfaction. Prioritizing the sustainability and analytical priority of HR processes, the Company has developed the Power BI reporting system and established a structure where instant data can be accessed, and continues to make improvements in this area.

Recruitment

In order to duly carry out domestic and international recruitment processes efficiently, Kazancı Holding implements a competency-based recruitment system, and the process is carried out in a more comprehensive manner, especially for executive-level recruitments. It is aimed to make maximum contribution of the program to the recruitment processes with assessment tools such as personality inventory, numerical, verbal, abstract ability tests, English language proficiency test and case study prepared in accordance with the competency set.

Career Management

The promotion processes carried out in practice have been updated in 2023 and transformed into a data-based and result-driven structure. Assessment center practices were implemented at executive levels, and employee know-how and competencies were measured in line with the requirements of the relevant position.

Kazancı Holding prioritized its own employees for vacant positions as part of its internal announcement project called "My Future Is Akxa," giving employees the opportunity to embark on different career paths.

Success and satisfaction level that Kazancı Holding reaches in the process of responding to job applications was awarded at the Ceremony of "Respect for Human Awards" held by Kariyer.net.

HUMAN RESOURCES

Kazancı Holding endeavors to contribute to the development of its employees under the name Aksa Academy from the perspective of a corporate academy.

In 2023, 88 training programs, including 23 online and 65 face-to-face, were organized for 15,928 hours with 2,786 participants.

Young Talent
Kazancı Holding has always believed in the power of young talents and, in recognition of this, has implemented young talent programs to support the employment of new graduates. Since its inception, many new graduates have joined Kazancı Holding to be trained in departments that best suit their competencies and abilities through the "enerjiMaxa" program launched in 2020 across Group companies. In 2023, 24 young talents have been recruited after detailed assessment processes among 1,124 young talent applications.

In addition, we have initiated collaborations with leading universities in Türkiye and participated in career events.

Aksa Academy
Kazancı Holding endeavors to contribute to the development of its employees under the name Aksa Academy from the perspective of a corporate academy. Aksa Academy effectively applies the digital academy platform in training planning processes.

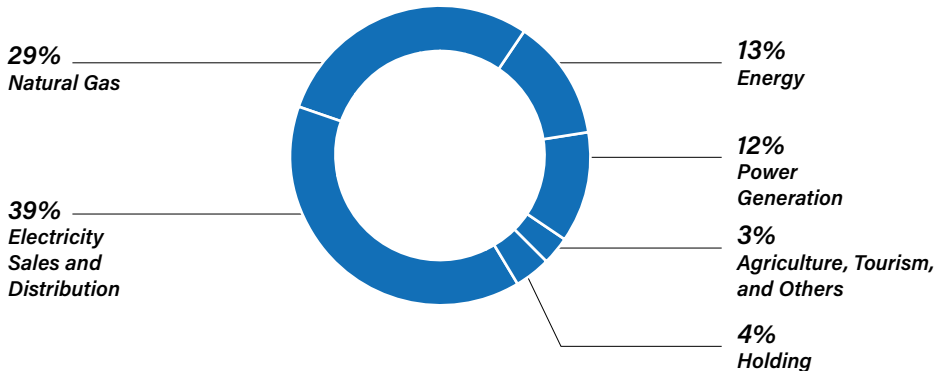
Aksa Academy is planned to be designed as a more dynamic digital platform in the coming period.

The development processes of all Aksa members were also supported through face-to-face and online trainings throughout the year. In 2023, 88 training programs, including 23 online and 65 face-to-face, were organized for 15,928 hours with 2,786 participants. By the end of the period, the training duration per person was 5.72 hours.

Every month, 2-hour seminars are organized by expert trainers to support the development of employees under the title Aksa Talks. To date, 6 seminars have been held with 591 participants.

Employee Profile
By the end of 2023, Kazancı Holding had a total of 10.890 employees in 26 different countries. 14% of these employees work in the Group's international operations, while the remaining 86% are employed in domestic operations. During 2023, 15 thousand people from 36 different nationalities were employed.

Breakdown of Number of Employees by Companies





OCCUPATIONAL HEALTH AND SAFETY

International OHS practices

In addition to adhering to legal legislative requirements related to OHS in countries and regions where it operates, Kazancı Holding adopts the best international practices and carries out its activities accordingly.

Periodic health screening and emergency drills are conducted to protect the health and safety of the staff members across the Holding.

Within this context, it consistently develops its standards in this field with its works on the infrastructure, practices and documentation. In addition to adhering to legal legislative requirements related to OHS in countries and regions where it operates, the Company adopts the best international practices and carries out its activities accordingly. Implementing the OHS Management System, the Holding identifies risks associated with its business activities, performs risk assessments, sets various goals to minimize identified risks, and continuously monitors progress toward these goals.

Shaping its OHS policy to raise employee awareness and ensure occupational health, the Group provides OHS training to the workforce in its operational areas and at its head offices. OHS activities are conducted by the OHS Board of Kazancı Holding.

Periodic health screening and emergency drills are conducted to protect the health and safety of the staff members across the Holding.

AKSA NATURAL GAS

In every province and district where it holds a license, Aksa Natural Gas aims to deliver uninterrupted natural gas distribution. In accordance with Law No. 6331 on Occupational Health and Safety, the Company fully meets all occupational health and safety requirements related to its employees and stakeholders.

Aksa Natural Gas implements and certifies the requirements of the "ISO 45001:2018 Occupational Health and Safety Management System" standard in all regions where it operates in order to ensure that everyone is aware of occupational safety and that it becomes a part of every employee's job so that they can safely return home. To ensure the continuity of the Occupational Health and Safety Management System, occupational health and safety experts and occupational physicians have been assigned in each region by obtaining Joint Health and Safety Unit (OSGB) company services.

Occupational health and safety activities, which are among the Company's most important core activities, are based on the "AKSA OHS Software" specially designed for Aksa Natural Gas in response to specific corporate requirements. Programmed in accordance with Law No. 6331 on Occupational Health and Safety and the ISO 45001:2018 Management System, AKSA OHS software dynamically monitors and checks all activities carried out with 4,299 employees in 21 distribution companies. AKSA's OHS software centrally controls and reports all occupational health and safety activities related to an employee from the moment of recruitment onwards. The software also measures the occupational health and safety performance of the 21 distribution companies.

With the cross-check audit module, which is one of the software development activities carried out as part of continuous development, the findings obtained in field audits carried out by OHS Specialists can be reported instantly with documents, such as audio, video, and photographs, and added to the performance tracking system. Monitoring of hazardous and non-hazardous wastes, which is carried out within the scope of the Environmental Management System, can be monitored monthly with the Environmental Management Module included in the software. In 2023, the QDMS Document Management Module was commissioned and additional module development activities were initiated to monitor corrective actions through the platform.

To identify and prevent any external hazard, annual risk assessments are conducted in all distribution companies; the findings of these studies are eradicated in the most expeditious manner with the participation of employees. Disabled, pregnant or breastfeeding staff is given priority in risk assessments.

Throughout the year, Aksa Natural Gas diligently carried out all the activities required by the Occupational Health and Safety Law No. 6331, provided a total of 167,298.5 person x hours of occupational safety training, and ensured that our employees received 22,218 person x hours of vocational qualification certificate training from authorized institutions. Furthermore, the following efforts were undertaken during the year:

- Annual study and annual assessment reports,
- Employee representative meetings,
- MYK training programs,
- Planned OHS training programs,
- OHS training for new employees,
- Planned-periodic health screenings,
- Health examinations for new employees,
- Field OHS audits,
- Maintenance and checking of equipment that requires periodic controls,
- Grounding measurements, electrical installation checks,
- Environment measurements (noise, dust, hygiene) for new locations,
- Lightning rod measurements and checks,
- Emergency team training,
- Emergency evacuation drills,
- First aid training.

To proactively reduce any possible damage from work accidents and occupational diseases, special occupational health and safety funds have been allocated within the budgets of distribution companies.



Via continuous education and awareness raising efforts, Aksa Natural Gas is committed to the Company's ultimate goal of "Zero Work Accident" and its slogan "People First." Under the leadership and guidance of its management and the participation of its employees, Aksa Natural Gas continuously moves toward becoming the "most reliable corporation" in the industry in terms of occupational health and safety.

The Company examined and compared the work accidents and near misses each year, compared them with work accidents in the electricity and natural gas distribution sector, and analyzed the types of industrial accidents and near misses with a Pareto analysis. In the light of the data obtained, internal and external training sessions were realized to minimize workplace accidents and near misses.

AKSA ENERGY

While conducting its business operations at home and abroad, Aksa Energy adopts an occupational health and safety management approach that is committed to complying with applicable local and international laws, rules and regulations in order to provide a healthy and safe work environment for its employees. Aksa Energy implements pioneering occupational health and safety practices and ensures the continuous improvement of its performance in this area with its Occupational Health and Safety ("OHS") Policy.

In order to create these conditions, Aksa Energy maintains its efforts in the area of OHS. The Company carries out all OHS activities with the goal of "zero work accidents," puts in place all necessary safety precautions, and takes actions to prevent occupational diseases. Within this context, 4,400,057 person x hours of work in total were carried out at Aksa Energy's domestic and overseas power plants in 2023 for providing 13,403 person x hours of General Occupational Health and Safety training and 13,295 person x hours of Toolbox training.

In 2023, 4 work accidents with lost days occurred in domestic power plants, while 1 work accident with lost days occurred in overseas power plants. The accidents with a total of 45 lost days occurred in domestic and overseas power plants.

As of 2021, the number of pending lawsuits due to responsibilities arising from occupational accidents is 5. Two of these lawsuits were filed in 2021. Of these, one lawsuit is related to death, and the other is related to disability.

In 2023, Aksa Energy continued its efforts to improve the health and safety conditions of its employees and reduce occupational accidents and diseases in its domestic and overseas power plants. In 2023, Aksa Energy reduced its accident frequency rate* by 50% compared to the previous year.

OCCUPATIONAL HEALTH AND SAFETY

Aksa Energy is committed to implementing OHS measures at all its facilities throughout Türkiye, its subcontractors' facilities, and all related organizations.

Assessment and improvement activities related to OHS are carried out by the OHS Committee at Aksa Energy.

The Company fully complies with OHS laws, rules and regulations. It also goes beyond its legal obligations and implements the latest OHS practices and international standards.

Aksa Energy has internalized effective management processes related to occupational health and safety, thanks to the ISO 45001 Occupational Health and Safety Management System certification.

The Company is committed to implementing OHS measures at all its facilities throughout Türkiye, its subcontractors' facilities, and all related organizations.

As with all strategic issues within the Company, all OHS hazards and risks are identified, assessed, and classified by analyzing the issue from a risk perspective. Through such an approach, comprehensive measures are taken to reduce risks to a minimum. The OHS Management System Notification Directive is implemented to record all data on employee health and safety; the data collected is compared with statistics from Türkiye and Europe to conduct assessment and improvement activities.

Assessment and improvement activities related to OHS are carried out by the OHS Committee at Aksa Energy. The Committee is comprised of Aksa Energy employees and represents the entire Company workforce. The Chairman of the OHS Committee reports directly to the Vice President, Chief Operating Officer (COO).

Aksa Energy has ensured the continuity of the following certifications it holds, which have been successfully internalized in the corporate culture:

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 50001 Energy Efficiency Management System
- ISO/IEC 27001:2013 Information Security Management System

In 2021, Aksa Energy commissioned training, risk assessment, incident/accident investigation, and action management modules over the QDMS software system in its domestic businesses to spread the occupational health and safety culture throughout the organization. It provided access to the QDMS system for all its employees intending to open systems such as near-miss and unsafe condition notifications and take quick action. The Company also plans to put this system into use at overseas power plants in the upcoming period.

AKSA POWER GENERATION

OHS Committee meetings are held every two months to discuss developments related to occupational health and safety in the Company's operations and to identify any requirement.

Within the scope of the practices realized in 2023;

- OHS training was designed and implemented in a way to be provided to all employees compulsorily without any labor loss. All of the technicians (blue collar) actually completed the 12-hour occupational safety and 4-hour health training sessions (person/hour) as per the OHS and relevant legislation in full.
- Within the scope of COVID-19 measures, the decisions taken were recognized as fundamental in all work areas, and air conditioning and system maintenance intervals were reduced from an annual basis to 3-month periods, taking into account seasonal outbreaks. All of the climatization and heating systems were improved.
- It was decided that before any maintenance, repair and overhaul processes to be carried out at Aksa Power Generation's facilities, the company that will do the work should start after having completed all OHS-related measures and documents.
- The Company's service field representatives and technicians should act in accordance with all compulsory conditions notified by the relevant government agency pursuant to the responsibilities of the customers and the field they will visit.



According to 2023 Annual Technical Training Plan;

- White- and blue-collar: 295 people received training for 4,458 person x hour in total. The actual average of training sessions was 15.11 hours per employee.
- Institutions and customers: 143 people received training for 1,287 person x hour. The actual average of training sessions was 9 hours per customer or civil servant.
- Orientation: 32 employees (Sales and After Sales Technician) received training for 23,47 person x hour. The actual average of training sessions included in orientation process was 73,35 hours per employee.
- In addition, each staff member of 109 Service Branches completed a total of 16 hours of occupational safety training. This means 1,308 person/hours of occupational safety training and 436 person/hours of health training.
- Attention was paid to ensure that guests and employees wear up-to-date personal protective equipment (PPE) and follow OHS rules and regulations throughout the year and in all work processes; and it was decided that this situation will be monitored by all Committee members.

Since Aksa Power Generation switched from OHSAS 18001 to ISO 45001, the Company modified its OHS Policy as follows:

Aksa Power Generation recognizes that its success is based on a safe and healthy working environment and the wellbeing of its valued employees.

Aksa Power Generation aims to conduct its business activities in accordance with applicable national laws and regulations in line with the principle of safe working.

Health and Safety

It aims offering safe working conditions and secure their continuity to ensure that the employees, suppliers and contractors related to their activities are not injured and lead a healthy life.

Leadership

Aksa Power Generation aims to see Occupational Health and Safety efforts as a key part of its main responsibility and to closely follow developments related to health and safety.

Employee Participation

Aksa Power Generation undertakes to contribute to Occupational Health and Safety activities with all its employees.

Improvement

With the participation of all its units, it undertakes to improve the ISO 45001 Occupational Health and Safety Management system and processes in accordance with changing conditions and requirements.

Continuity

Aksa Power Generation undertakes to eliminate the dangers and to reach safe solutions by evaluating risks.

AKSA ELECTRICITY

Aksa Electricity conducts electricity distribution and sales services in every province and district of its license regions and acts with the awareness of being a responsible institution by placing serving people at the heart of its operations. Within the scope of Law No. 6331 on Occupational Health and Safety, the Group fully implements occupational health and safety practices for all employees and stakeholders. In addition, it also implements the international ISO 45001:2018 Occupational Health and Safety Management System standard and has been certified accordingly.

OHS Policy

Accordingly, Aksa Electricity Group bases its OHS Policy on the respect shown to people and the environment. The Company takes all necessary measures in line with the "Employee Health and Safety First" principle during its sales and distribution activities.

OCCUPATIONAL HEALTH AND SAFETY

Aksa Electricity Companies perform all of their works within the framework of the legislations and strictly adhere to the applicable laws, rules and regulations related to OHS and conduct regular risk assessments.



In all provinces where Aksa Electricity Group operates, “training sites” have been established in a way to fully cover the grid in the field.

Aksa Electricity Group OHS Policy's components include;

- To ensure all requirements, including health and safety, emotional, psychological, social well-being of employees,
- To create environmental and living conditions that enable employees to adopt and maintain a healthy life and safe working approach,
- To consider protecting the occupational health and safety of employees the basic building block of business continuity,
- To identify, assess and control potentially dangerous situations to which employees and other relevant parties in the operation field can be exposed, and to share them with all employees,
- To select protective materials in accordance with occupational health and safety standards while choosing equipment, raw materials and work tools,
- To prevent occupational accidents and occupational diseases,
- To meet and follow the primary and secondary legal requirements and other conditions related to occupational health and safety, and to improve the management system of the Company continuously,

- To determine the annual targets in the effective implementation of occupational health and safety and ensure that the Company employees receive the training support they require within the scope of their responsibilities,
- To periodically review the hazards and risk elements in terms of occupational health and safety within the Company's activities, and to take measures as required,
- To reduce risks to an acceptable level in accordance with emergency action plans (e.g. earthquake, fire, flood, civil defense),
- To ensure the participation of the employees in the Company's decision-making processes by including them in the management system, and to receive their opinions,
- To recognize and ensure that successful implementation of occupational health and safety is possible only through the participation of all employees and by making it a part of corporate culture.
- To cooperate with all stakeholders on occupational health and safety issues,
- To ensure full compliance with national and international regulations on OHS, meet legal requirements, and continuously monitor changes in legal regulations,
- To ensure that the Company integrates the basic principles and approaches in this policy while creating and implementing all decision and business processes and working methods, and to ensure that all stakeholders fully assume their responsibilities,
- To continuously improve OHS performance using the best available technologies,
- To act continuously with the principle of “Encourage, support, and implement” in order to make occupational health and safety a core value of corporate culture.

Assessment of OHS Risks

Aksa Electricity Companies perform all of their works within the framework of the legislations and strictly adhere to the applicable laws, rules and regulations related to OHS and conduct regular risk assessments. As part of this, the prior OHS risks are brought under control by reviewing them every year with proactive approaches.



OHS Trainings

Considering the health and safety of its employees one of its top priorities, Akxa Electricity Group has established "training sites" in all provinces where it operates in a way to fully cover the grid in the field. In 2023, in addition to organizing regular face-to-face and remote OHS training programs at training sites, "Safe Working at Height Training in the Electricity Distribution Sector" was started to be provided, in theory and practice, to employees who actively work at height in the field. In addition, safe driving training is provided to employees driving off-road vehicles on the field.

In 2023, 4,878 people received a total of 44,151 hours of compulsory Occupational Health and Safety Training on Basic, Technical, and Health issues, and 4,349 people received a total of 53,410 hours of training on vocational and other technical issues.

OHS Software Program

Akxa Electricity Companies can manage all activities and report their work with the OHS Software program which have been implemented since 2019. With OHS software;

- Notification of dangerous situations/near misses and events,
- Risk analysis studies,
- Debit and controls of personal protective equipment,
- Annual study and annual assessment reports,
- Planned OHS training programs,
- Planned health examinations,
- Field OHS audits,
- Maintenance and checking of equipment that requires periodic controls,

- Announcements of OHS instructions,
- Corrective activities as a result of the observations,
- Tracking of the actions can be performed and reported.

AKSA AGRICULTURE

Akxa Agriculture organized renewal and repeating training as part of OHS at İnanlı and Gelemen Enterprises during the year. Work instructions and PPE (Personal Protective Equipment) forms were prepared for all employees over the course of the training.

The Company shall carry on the periodical training sessions in the upcoming period with the aim of avoiding occupational accidents and occupational diseases and raising compliance with the rules by increasing employee awareness on OHS.

Akxa Agriculture also aims to boost the measures taken against the possible risks in operations through risk analyses and revision of emergency action plans.

OHS training provided at Akxa Agricultural Enterprises in 2023 included;

- Training on safe use of construction equipment,
- Training on tractor use,
- Training on measures to be taken regarding accidents and environmental safety,
- Training on safe tractor use and safety rules to be followed when using a tractor,
- Training on precautions to be taken when pesticide spraying,
- Training on the use of masks, goggles, and work overalls,
- General OHS training,
- Working at height training,
- Training on the use of personal protective equipment (PPE)

AKSA TOURISM

Akxa Tourism has a quite sensitive approach to Occupational Health and Safety measures both for its employees and the guests accommodating at its hotels. The Company carries out operations by paying maximum attention to OHS measures and rules. In this context, employees receive on-the-job orientation and basic occupational health and safety trainings.

It works on updating the emergency action plan, completing the direction signs and emergency lighting in the assembly area, preparing scenarios, including the evacuation plans that contain the whole facility, and performing various drills against the possible disasters.

Akxa Tourism activates corrective preventive activity forms with the participation of all departments to mitigate and hinder occupational accidents. Risk assessment analyses are performed with the participation of all employees involved in the production processes and by taking the opinions of expert teams. Results of the assessment are reported.

Akxa Tourism conducts annual periodic inspections of the work equipment used in its facilities to ensure the safety of guests, personnel, and facilities.

Akxa Tourism improves the working conditions of its personnel by conducting environmental measurements. Akxa Tourism provides its personnel with job-specific personal protective equipment to prevent job-specific hazards and ensure personnel safety during work.

Akxa Tourism ensures that occupational health and safety principles are adopted at its facilities as part of the work culture and continues to work on building up these principles further.

Risk assessment analyses are performed with the participation of all employees involved in the production processes and by taking the opinions of expert teams. Results of the assessment are reported. Relevant measures are taken to eliminate the risks identified as a result of the assessment at their source.

STRATEGIC GOALS

Sustainable goal of high growth

The primary objective of Kazancı Holding is to ensure the long-term sustainability of the Group's operations by striking a balance between return, growth and risk.

The Board of Directors of Kazancı Holding is committed to performing its activities in a transparent, accountable, fair and responsible manner.

Kazancı Holding's Board of Directors reviews the Holding's strategic goals every year, sets targets for the following year, and executes the necessary action planning to achieve these targets.

The primary objective of Kazancı Holding is to ensure the long-term sustainability of the Group's operations by striking a balance between return, growth and risk. At its periodic meetings, the Board of Directors conducts a comparative analysis of the financial performance of the Group Companies and their budgets and examines whether these strategic targets are being met. The Board of Directors also aims to develop new business strategies, make investment decisions, and revise previous decisions in line with the new opportunities and needs identified.

As a global energy group, Kazancı Holding's strategic domestic priority is to increase the quality of its goods and services through investments, whilst its international priority is to expand its presence in more countries.

The Board of Directors of Kazancı Holding is committed to performing its activities in a transparent, accountable, fair and responsible manner. The Board of Directors monitors compliance with applicable laws, rules and regulations, the Articles of Association, internal regulations and policies in all kinds of Holding transactions and procedures.



KAZANCI HOLDING GOVERNANCE STRUCTURE

Kazancı Holding Board of Directors

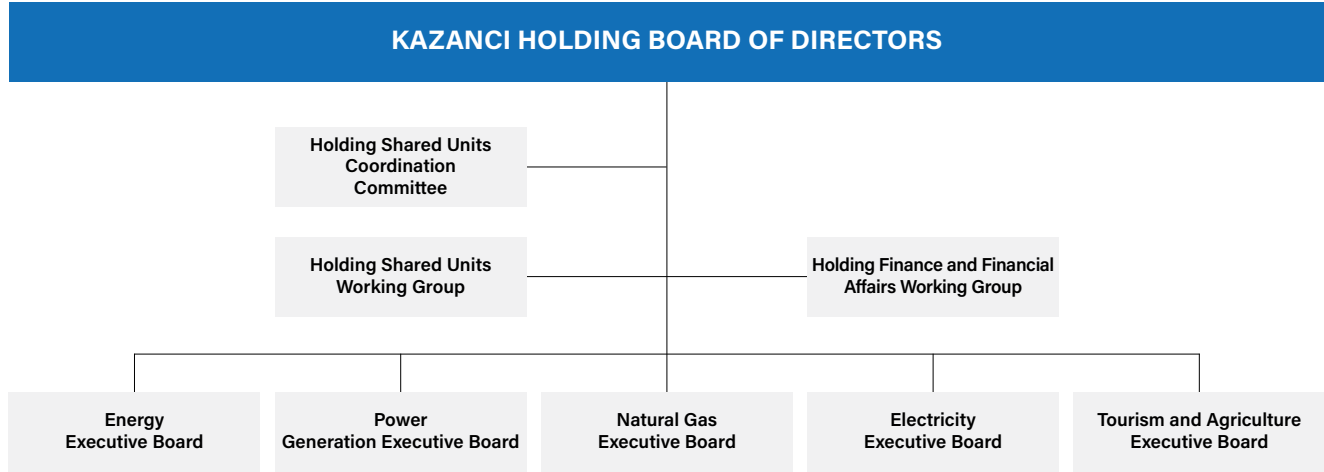
Subsidiary Companies' Executive Boards

Kazancı Holding has entered a major corporate transformation journey that started with the end-to-end digitalization of all business processes. Within this context, Executive Boards are formed at Group Companies operating in the energy sector in order to manage business processes more effectively and efficiently.

Executive Boards functioning under the Kazancı Holding Board of Directors set the necessary strategic goals and policies to guarantee effective, efficient and adequate use of all resources to ensure continuity of each affiliate's business operations. The teams make decisions on new business areas and markets in line with the strategies, goals and plans in place and they are also responsible for evaluating the affiliate's operations in terms of performance criteria and implementing necessary improvements and changes.

Kazancı Holding takes more agile and confident steps toward its goals thanks to this new management approach that helps it to make right decisions at the right time.

Kazancı Holding's Structure



Responsibilities of Kazancı Holding Board Members



| KAZANCI HOLDING BOARD OF DIRECTORS | HOLDING SHARED UNITS COORDINATION COMMITTEE | KAZANCI HOLDING FINANCE AND FINANCIAL AFFAIRS WORKING GROUP | HOLDING SHARED UNITS WORKING GROUP |
|---|---|---|--|
| Ali Metin Kazancı Chairman Cemil Kazancı Kazancı Holding Board of Directors 2. Chairman Naci Ağbal Deputy Chairman Ömer Baktır Deputy Chairman Tülay Kazancı Board Member Barış Erdeniz Board Member | Naci Ağbal Ömer Baktır Barış Erdeniz | Ömer Baktır Naci Ağbal Murat Yeşilyurt Cevdet Yalçın Engin Inal Mücahit Ekmen Banu Gürel Seçkin Odabaşı Ersan Devrez Teoman Özerden Independent Member(s) | Naci Ağbal Barış Erdeniz Yeşim Ağaçkesen (Human Resources) Meral Tunali (Supply Chain) Ersan Devrez (V) (Information Technologies) Gözen Peker (Audit) Serdar Şeşen (V) (Legal) Serdar Paylaşan (Risk Management) Özlem Yalçın (Corporate Communications) Özgür Demircioğlu (Compliance) Betül Işıklar (Corporate Governance and Sustainability) Alper Alyağız (Administrative Affairs and Vehicle Fleet) |

KAZANCI HOLDING GOVERNANCE STRUCTURE

| Kazancı Holding Senior Management | | |
|-----------------------------------|---|---|
| Murat Yeşilyurt | CFO Office | CFO |
| Ersan Devrez | Financial Affairs | Vice President of Financial Affairs |
| Meral Tunalı | Supply Chain | Vice President of Supply Chain |
| Yeşim Ağaçekesen | Human Resources | Vice President of Human Resources |
| Ersan Devrez | Information Technologies | Vice President of Information Technologies (V) |
| Gözen Kasımay | Audit | Vice President of Audit |
| Serdar Paylaşan | Risk Management | Vice President of Risk Management |
| Mehmet Akif Şam | Corporate Relations | Corporate Relations Director |
| Özlem Yalçın | Corporate Communications | Corporate Communications Director |
| Serdar Şeşen | Legal Department | Chief Legal Counsel (V) |
| Özgür Demircioğlu | Compliance | Compliance Director |
| Betül Işıklar | Corporate Governance and Sustainability | Corporate Governance and Sustainability Group Manager |

Governance

Kazancı Holding focuses on sustainable growth targets in line with its 2030 Global Strategy. 2023 will be remembered as a year of strategic transformation for the Group. In this context, the “Kazancı Holding & Aksa Group Companies Global Corporate Governance Policies” were established during the reporting period to support a transparent and responsible corporate culture.

These policies are based on Kazancı Holding’s vision, mission, and values, as well as the best global governance principles. It also includes the Group’s approach and commitments focused on environmental, social, and economic sustainability. The policies developed through a participatory process, taking into account the views of internal stakeholders, have made the Group’s foundations more solid and up-to-date as it moves towards its goal of institutionalization in line with the 2030 Global Strategy.

Throughout 2023, important actions were planned and implemented in preparation for the future. These actions have constituted important milestones on the way to achieving strategic goals. The steps taken

on the journey of institutionalization have secured not only the Group’s success today, but also its sustainable growth in the future. Kazancı Holding’s governance structure was renewed, resulting in a stronger and more resilient structure.

Corporate Governance Policies is one of the cornerstones of the Group’s strategy and will be strongly embedded in the business culture. Kazancı Holding continues to move forward together for a stronger, more reliable, and more sustainable future.

This transformation process has served as the most concrete evidence that the Group has established a transparent, accountable, and institutional structure while staying aligned with its vision. The year 2023 has been etched into Kazancı Holding’s history as a period during which not only the present but also the future was shaped in alignment with the principles of transparency, accountability, and participation.

2023 is only the beginning of the strategic transformation. Kazancı Holding aims to achieve self-improvement further every year, to achieve a structure aiming for the best and becoming an exemplary organization, and to set out by constantly getting stronger in the future in line with the principles of transparency, accountability and participation. With this determination, the Group will always be a symbol of excellence and sustainable success.

Kazancı Holding & Aksa Group Companies Global Corporate Governance Policies

- Global Corporate Governance Policy
- Global Corporate Compliance Policy
- Global Ethical Principles and Code of Conduct Policy
- Global Anti-Bribery and Anti-Corruption Policy
- Global Donations and Sponsorships Policy
- Global Trade Sanctions and Controls Policy
- Global Conflict of Interest Policy
- Global Gifts and Hospitality Policy
- Global Policy on the Protection and Processing of Personal Data
- Global Human Resources Policy
- Global Remuneration Policy
- Global Diversity, Equality and Inclusion Policy
- Global Human Rights Policy
- Global Supply Chain Policies and Principles
- Global Stakeholder Participation Policy
- Global Corporate Tax Policy
- Global Competition Compliance Policy
- Global Financial Management Policy
- Global Risk Management Policy
- Global Corporate Communication Policy
- Global Reputation Policy
- Global Information Security Policy
- Global Innovation Policy
- Global Profit Distribution Policy
- Global Shareholder Policy
- Global Disclosure Policy

RISK MANAGEMENT AND INTERNAL AUDIT

To deliver the highest possible value to its stakeholders, Kazancı Holding places utmost importance on the early detection and effective management of corporate risks that can pose a threat to its existence. Corporate risk management is well integrated into the Company's strategies and corporate culture. Kazancı Holding aims to ensure that all employees focus on risk management, opportunities and obligations alongside their everyday work responsibilities. The workforce is expected to contribute to the Company's sustainable growth in this way. Kazancı Holding focused strongly on improving the effectiveness of risk management processes to sustain the risk assurance provided to the stakeholders in the intense internal and external competitive environment and to effectively manage the ever-increasing uncertainties caused by global developments.

The Board of Directors of Kazancı Holding is responsible for consolidated monitoring of all risks associated with Group Companies and making holding-wide decisions related to these risks. In the decisions taken by the Board of Directors, risk, return and growth balance are considered together with global developments, and risk management strategy is adhered.

Financial and strategic risks faced by Kazancı Holding are managed centrally, and the CFO Office assists the different levels of management in this regard. Operating in an investment-driven sector, the Holding finances its investments via long-term

syndication loans. Developments in the market, liquidity, exchange rate and interest rate risks are monitored regularly. When deemed necessary, the financial risks and opportunities faced are effectively managed through policy adjustments.

Protective instruments are purchased within the framework of the policies set by the senior management; meanwhile, efforts are expended to limit the extent of risk exposure to the Holding. The CFO Office engages in various activities such as determining and implementing measures related to potential risks and managing and monitoring these in accordance with a risk management system, and reporting these efforts to the Board of Directors. Group Companies are required to adapt this model to their own organizations, monitor the risks of their enterprises, and take measures to counteract these risks.

Kazancı Holding's risk management and internal control system is regularly reviewed and audited to achieve the following objectives:

- Protection of company assets,
- Compliance with laws, rules, regulations and contracts,
- Ensuring operational efficiency and productivity,
- Accuracy and reliability of financial and operational information,
- Elimination or control of activities and transactions that contain previously identified and reported risk elements within the framework of recommendations approved by the management.

The results of the Company's activities, the extent to which targets are met, and identification and reporting of associated risks faced by the Company are evaluated at Board of Directors meetings, which are periodically held with the participation of the relevant managers.

Kazancı Holding's Internal Audit Department strives to assess and improve the effectiveness of its control and governance processes. With a risk-focused approach, audits are conducted regarding the reliability of the financial reporting system; the compliance of the Holding and Group Companies with legal and internal regulations; the effectiveness and efficiency of their activities; and the security and reliability of their IT systems. The Board of Directors is provided with reasonable assurance as a result of the audits. Both central internal audit activities and on-site internal audit activities were carried out in 2023.

The audits verified that the effectiveness of internal control and corporate governance processes was at an adequate level. Additionally, the audits recommended various actions to the management units about specific control shortcomings that were identified and monitored whether the actions were implemented on time.

In 2023, the Vice Presidency of Audit was awarded the Internal Audit Awareness Award by the Institute of Internal Auditors of Türkiye based on the assessments conducted across Türkiye.

CODE OF ETHICS

The Code of Ethics, which was established to regulate Kazancı Holding's relations with all stakeholders and society, was renewed in 2023 to support the Group's goals and activities in all its operations. All Kazancı Holding employees are required to act in accordance with these principles, which are established in addition to the legal regulations of the countries where the Group operates or with which it has business relations.

Calls to the Kazancı Holding Ethics Hotline (0 850 511 11 12), which was launched in 2017 to be used by Holding employees in reporting unethical incidents, are responded to by the Audit Directorate between on weekdays between 09:00 and 18:00.

Kazancı Holding's Code of Ethics is available at <https://kazanciholding.com.tr/EtiklIkeler.aspx>.



INFORMATION SECURITY POLICY

For the execution of Kazancı Holding's business processes, only Kazancı Holding information resources are used. The basis of the utilization of these resources is directly related to the research, development, service and managerial/administrative activities of Kazancı Holding. Utilization of Kazancı Holding resources cannot be contrary to what is legally required and Kazancı Holding's policies and procedures. For the utilization of Company assets, transactions are carried out by taking into consideration information classifications, which were determined as per legal requirements, confidentiality, integrity and accessibility concepts, and possible security risks specific to them.

Kazancı Holding's Information Security Policy is implemented under the topics below:

Personal Use

Kazancı Holding personnel are required to abide by the applicable laws of the Republic of Türkiye, particularly Law No. 5651, international law, and general ethical codes when using and providing all information systems and communication means, including internet and voice communications. Staff members refrain from performing actions that are not included in their job descriptions, such as providing unauthorized access to information and tools they possess and looking for weaknesses.

Accountability

Access information and tools assigned to a user cannot be shared with anyone under any circumstances, including technical staff.

Internet Use

Users shall not provide information about the Company's location and phone number, employee names, titles, email addresses and other personal information when posting on internet discussion groups, chat rooms, and other forums, unless necessary for their job requirements or legal obligations. Internet access is provided in accordance with the connection settings and access restrictions provided by Kazancı Holding. Internet users do not have access to illicit or unlawful sites.

Use of Electronic Messaging Services

Electronic messaging rules are the same regardless of whether the exchange takes place in written or face to face. Electronic messaging is used when face to face communication is not possible. When sending messages to a group of recipients in the address list, one shall ensure that all recipients would like to receive the outgoing message.

Office Equipment, Printed Documents, and Portable Data Storage Devices

When printing highly confidential documents, users shall print out with PIN code or ID card to avoid the document

being read or seized by unauthorized individuals. Regardless of whether they are confidential or not, and whether they are stuck in the machine, originals and copies of documents shall not be abandoned inside printers or photocopiers.

Surveillance and Recording Activities, Privacy

Kazancı Holding reserves the right to examine any information kept on its systems and relayed through Kazancı Holding systems. Personal information of the users stored on Kazancı Holding systems or transmitted through Kazancı Holding systems are processed in accordance with the Law No. 6698 on the Protection of Personal Data.

General Data Protection and Classification Responsibilities

Information exchange within Kazancı Holding can take place only amongst users who require access to the data due to their job requirements. Sharing of information with public institutions and members must be done by competent employees in accordance with the legal requirements.

Violation Notification

When employees determine any actions that are not compatible with Kazancı Holding's policies and procedures, they shall notify them via the Information Security Page, Violation Notification Form immediately.



KAZANCI HOLDİNG

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