KİMPUR

# 2024 ANNUAL REPORT

KİMTEKS POLİÜRETAN SAN. VE TİC. A.Ş.

Deloitte.

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**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH)**

# INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of Kimteks Poliüretan Sanayi ve Ticaret A.Ş.

## 1) Opinion

As we have audited the full set consolidated financial statements of Kimteks Poliüretan Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2024–31/12/2024, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

## 2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We declare that we are independent from the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") issued by POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 3) Auditor's Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2024–31/12/2024 in our Auditor's Report dated 11 March 2025.

Deloitte; Deloitte Touche Tohmatsu Limited ("DTTL") şirketini, uluslararası üye firma ağındaki şirketlerden ve ilişkili tüzel kişiliklerden (birlikte "Deloitte kuruluşu") bir veya birden fazlasını ifade etmektedir. DTTL ("Deloitte Global" olarak da anılmaktadır) ve üye firmalarının her biri ayrı ve bağımsız birer tüzel kişiliktir ve üçüncü taraflara karşı birbirlerini yükümlü kılamaz veya bağlayamazlar. DTTL ve her bir DTTL üye firması ve ilgili tüzel kişilik sadece kendi eylem ve ihmallerinden sorumludur, birbirlerinin eylem ve ihmallerinden sorumlu tutulamazlar. DTTL müşterilere hizmet sunmamaktadır. Daha fazla bilgi almak için www.deloitte.com/about adresini ziyaret ediniz.

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**4) Management's Responsibility for the Annual Report**

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,

b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.

c) The annual report also includes the matters stated below:

- The significant events occurred in the Group's activities subsequent to the financial year ends,
- The Group's research and development activities,
- The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

**5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report**

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulations of the Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

The engagement partner on the audit resulting in this independent auditor's report is Volkan Becerik.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Volkan Becerik, SMMM
Partner

İstanbul, 11 March 2025

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## 1. BACKGROUND

| | | |
|---|---|---|
| **Trade Name** | : | KİMTEKS POLİÜRETAN SANAYİ VE TİCARET A.Ş. |
| **Period of the Report** | : | 01.01.2024-31.12.2024 |
| **Authorized Share Capital** | : | 550,000,000 |
| **Paid-in Capital** | : | 486,200,000 |
| **Market Traded in BIST** | : | Yıldız Pazar |
| **Trade Registry Number** | : | 988994-0 |
| **Registered Office** | : | İnkilap Mah. Dr. Adnan Büyükdeniz Cad. No:13 B Blok Kat:2 İç Kapı No:6 Ümraniye - İstanbul / TÜRKİYE |
| **Production Facilities** | : | Gebze Plastikçiler Organize Sanayi Bölgesi İnönü Mah. Cumhuriyet Caddesi Balçık Yolu Üzeri 7. cadde No: 43 Gebze-Kocaeli/TÜRKİYE<br>OSB, Yakabaşı Mevki, 1. Cadde No:12, 81850 Gümüşova/Düzce |
| **Contact information** | | |
| **Phone** | : | +90 212 809 15 50 |
| **Fax** | : | +90 212 809 15 49 |
| **Website** | : | www.kimpur.com |

### 1.1 Board of Directors, Company Executives and Employees

#### 1.1.1 Board of Directors

The Board Members have been reappointed at the ordinary general assembly meeting held on May 3, 2023.

| NAME & SURNAME | DUTY | TERM OF DUTY |
|---|---|---|
| Yuda Leon Mizrahi | Chairman of the Board | 03.05.2023-03.05.2026 |
| Cavidan Karaca | Vice President of the Board | 03.05.2023-03.05.2026 |
| İsak izi Mizrahi | Board Member | 03.05.2023-03.05.2026 |
| Ömer Bakır | Independent Board Member | 03.05.2023-03.05.2026 |
| Mehmet Mete Başol | Independent Board Member | 03.05.2023-03.05.2026 |

**Yuda Leon Mizrahi – Chairman of the Board**

Yuda Leon Mizrahi (born in 1957) graduated from the Department of Chemical Engineering, Bogazici University in 1980. Following the graduation, he worked in family companies, belonging to his father, in the production of plastic soles, and established, together with Salvo Özsarfati, a company that trades and distributes artificial leather, rubber, coating and additives in 1983 (Kimteks Kimya). In 1985, he founded another company in the paint industry (Renkim) together with Salvo Özsarfati and Lauren Margulies. In 2007, he became the founding partner of a real estate company (Ortak Gayrimenkul) and accomplished several real estate development projects.

In 2011, he established the company "Dörtgen Gayrimenkul Yatırım ve Turizm A.Ş" ("Dörtgen") as a family company. Dörtgen is the umbrella company that owns the shares of Kimteks Kimya, Renkim and Ortak Gayrimenkul, apart from its own real estate.

Yuda Leon Mizrahi runs his business life as the main partner of the issuer and one of the partners of Dörtgen, Kimteks Kimya and Ortak Gayrimenkul.

**Cavidan Karaca – Vice President of the Board**

Born in Konya-Akşehir in 1970, Cavidan Karaca graduated from the Middle East Technical University, Department of Mechanical Engineering in 1992 and started her business life.

She worked as a production and planning engineer at Erkunt Sanayi A.S between 1992-1996, as a plastic tool production engineer at the refrigerator plant of Arçelik A.S. between 1996-1997, and as a purchasing manager at General Directorate of Arçelik A.S. between 1997-2001. She worked as a purchasing director at Omsan Lojistik A.S between 2001 and 2002. She became the founding partner of a consultancy company (Innovis Ticaret ve Danışmanlık A.S.) and provided management consultancy services to more than a hundred companies, mainly in production, tourism and other service industries between 2002 and 2014. During this period, she also worked as the general manager of Işık Plastik between 2002-2007.

She began to work as a consultant at Kimteks Kimya Tekstil Ürünleri A.S. in 2014 and assigned as the CEO in 2015. Following the demerger of the issuer from Kimteks Kimya, she has been serving as the CEO and Vice President of the Board since the end of 2015.

**İsak İzi Mizrahi – Board Member**

He was born in 1984 in Istanbul. He studied Electrical and Computer Engineering at Carnegie Mellon University, Pittsburg, USA between 2002-2004. He completed the Industrial Engineering Department at Koc University between 2005-2008.

He began his career as a purchasing specialist at the American Hospital in 2008. In 2011, he continued to work as a production engineer at Kimteks Kimya.

Between 2012 and 2015, he worked as a business development manager at Dörtgen Gayrimenkul Yatırım ve Turizm A.S., which is also a family corporation. He has completed works and investments in the renovation and utilization of some real estates in the tourism industry.

From November 2015 until 05.10.2021, as a Member of the Board of Directors responsible for purchasing and foreign trade in a family-owned company that went public; he took part in the

management of the procurement of all chemical raw materials and service items, new supplier and product research in international markets, fair participation, market research and supplier relationship management processes. He has been serving as a non-executive Board Member since 05.10.2021.

**Ömer Bakır – Independent Board Member**

He was born in 1951 in Malatya. He started his high school education in 1965. After graduating from high school in 1968, he gained his bachelor's degree in chemical engineering at Ege University in 1972.

He continued his chemistry education at Kiel University, Germany, in 1973. Afterwards, he worked as a lecturer at the same university for 3 years.

He began his professional career in 1985 at Bayer AG Leverkusen in the sales and marketing processes in the rubber and plastics departments.

In 1988, he returned to Turkey and began to work as a board member and department director at Bayer Türk. During the 24-year period of duty at Bayer Türk, he had the opportunity to get to know all sectors in the industry.

In 2012, he quited Bayer Türk Industrial Products General Management, and he started his duty as the General Manager of a newly established chemical company (Lanxess Kimya Tic. Ltd. Şti).

He retired in 2017 and is not currently working.

During his professional career, he served on the boards of the Turkish Chemical Manufacturers Association (TKSD), the Association of Paint Industry (BOSAD) and Association Rubber Industry.

**Mehmet Mete Başol – Independent Board Member**

Mehmet Mete Basol (Born in 1957) graduated from Arizona State University, BSc Economics, and started his career in 1984 at INTERBANK, in the Medium-Term Loans Department, in various investment projects. He performed economic evaluations in these projects and prepared industry reports. He was assigned as the Treasury, Fund Management and Foreign Relations Manager at the investment bank, Türk Merchant Bank, which was established in 1988 as a partnership of Bankers Tust Co. Newyork and T. İş Bankası. In 1992, he assumed the responsibility of the capital markets group as Assistant General Manager. In 1995, following the acquisition of the bank by the Bankers Trust, he was elected as a member of the board of directors and credit committee. He assumed the position of chairman of the board of directors and general manager of the bank (operating by the name of Bankers Trust A.S. between 1997 and 1999 and Deutsche Bank A.S. between 1999 and 2001). Between 2001 and 2003, he joined the public banks joint board of directors (T.C. Ziraat Bankasi A.S., Türkiye Halk Bankasi A.S., T. Emlak Bankasi A.S.). Following this duty, he established a financial concultancy company (Tridea Finansal Danışmanlık Hizmetleri Ltd. Şti.) with two partners and provided financial and administrative consultancy services to SMEs. After 2009, he continued his consultancy services under his own private company. He served as a member of the board of directors of Galatasaray Sportif A.Ş (2011-2012), Türkiye İş Bankası A.Ş (2011-2014), Dedeman Holding A.Ş. (2008-2014) and Dedeman Turizm Otelcilik Yatırım A.Ş. (2012-2014). He served as the independent board member, chairman of the audit committee and a member of the corporate management committee at Coca-Cola İçecek A.Ş. (2012-2018) and Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (2012-2018). He also served as a member of the board of directors and chairman of the

risk committee, representing the minority shareholder Partners Group of Enerji Yatırım Holding A.Ş (2014-2021), Enerya Gaz Dağıtım A.Ş (2014-2021), Enerya Gaz Ticaret A.Ş. (2014-2021). He was an independent member of the Board of Directors of Sabancı Holding A.S. (2018-2021), and chaired the audit and risk committee. Currently, Nurol Yatırım Bankası A.Ş. Board Member (2014), Enka İnşaat ve Sanayii A.Ş. (2018) and Dardenel Önentaş Gıda Sanayi A.Ş. (2022) serve as independent board members and are members of the risk early detection committee, audit committee and corporate governance committee.

### 1.1.2. Authorities and Limits of Board Members and Senior Executives

The Board Members and Senior Executives represent and manage the company with their authorities specified in the relevant articles of the Turkish Commercial Code and the Company's Articles of Association and with the internal directive of the Board of Directors No. 13 dated 03.08.2021.

### 1.1.3 Board of Directors Committees

In compliance with the 'Corporate Governance Communiqué' issued by the Capital Markets Board, committees have been reconstituted with the Board Resolution dated May 3, 2023, numbered 13.

- **Audit Committee**

The Audit Committee oversees the company's accounting system, public disclosure of financial information, independent auditing, and the operation and effectiveness of the company's internal control and internal audit system. The audit committee supervises the selection of the independent audit company, the preparation of independent audit contracts, the initiation of the independent audit process, and the progress of the independent audit company at every stage. The meetings of audit committees are held at least four times a year, at least once every three months, and the results are recorded in the minutes and presented to the Board of Directors. The resolutions taken at the meetings are put into writing, signed and archived by the Committee members. The Audit Committee notifies the Board of Directors in writing about the findings and suggestions on their own duties and responsibilities.

The committee members convened 4 (four) times within the period of 01.01.2024 and 31.12.2024, notified the board of directors and took all the decisions unanimously.

| NAME & SURNAME | DUTY | TERM OF DUTY |
|---|---|---|
| Mehmet Mete Başol | Head of the Audit Committee | Independent Member |
| Ömer Bakır | Member | Independent Member |

- **Early Risk Detection Committee**

The Early Risk Detection Committee makes suggestions and recommendations to the Board of Directors on identifying, defining, prioritizing, monitoring and reviewing the strategic, financial, operational risks and opportunities that may affect the Company's activities by calculating their impact and possibilities, as well as managing, reporting and taking into account these risks and opportunities in line with the company's risk profile in decision mechanisms. The committee meetings are held at least 3 times a year and the decisions are taken unanimously by the participants. The resolutions taken at the meetings are put into writing, signed and archived by the Committee members.

The committee members convened 4 (four) times within the period of 01.01.2024 and 31.12.2024, notified the board of directors and took all the decisions unanimously.

| NAME & SURNAME | DUTY | TERM OF DUTY |
|---|---|---|
| Mehmet Mete Başol | Head of Early Risk Detection Committee | Independent Member |
| İsak İzi Mizrahi | Member | Not Independent Member |

- **Corporate Management Committee**

The corporate management committee determines whether the corporate management principles are applied in the company. If they are not applied, it determines the reasons and the conflicts of interest that occur due to lack of complying with these principles. The committee also makes recommendations to the Board of Directors to improve corporate management practices and oversees the work of the investor relations department. The Committee also undertakes the duties of the Nomination Committee and the Remuneration Committee, which are stipulated in the regulations of Capital Markets Board. The committee meets three times a year and when deemed necessary, without waiting for this period, and the decisions are taken unanimously by the participants. The resolutions taken at the meetings are put into writing, signed and archived by the Committee members.

Pursuant to the Capital Markets Board's Corporate Management Communiqué No. II-17.1, Article 11, the Company's Investor Relations Department has been established in order to fulfill the company's obligations arising from the Capital Markets legislation. An investor relations manager has been appointed to the investor relations department to work under the general manager of the company and to report to the company's board of directors at least once a year about his/her activities.

The committee members convened 4 (four) times within the period of 01.01.2024 and 31.12.2024, notified the board of directors and took all the decisions unanimously.

| NAME & SURNAME | DUTY | INDEPENDENCY |
|---|---|---|
| Ömer Bakır | Head of Corporate Management Committee | Independent Member |
| İsak İzi Mizrahi | Member | Not Independent Member |
| Damla Mermeroğlu | Member | Investor Relations Manager |

### 1.1.4 Personnel Information

As of 31.12.2024, the number of employees is 325.

### 1.1.5 Amendments in the Articles of Association during the Period

An amendment has been made to the Articles of Association of our company for the period from January 1, 2024, to September 30, 2024. As a result of increasing our company's capital to 486,200,000 TL, fully funded by the profit of 2023, the issuance document for shares with a nominal value of 243,100,000 TL has been approved by the Capital Markets Board (CMB). This decision was published in the CMB's bulletin dated September 12, 2024, numbered 2024/47. Following the CMB's approval letter, the 6th article titled "Capital" of the company's Articles of Association was registered in the Turkish Trade Registry Gazette numbered 11171 on September 24, 2024.

### 1.1.6 Number of Meetings of the Board of Directors and Participation of Members during the Period

The Company's Board of Directors held 20 meetings between 01.01.2024 and 31.12.2024 The Board of Directors' meeting was held with the participation of the majority of members.

### 1.1.7 Duties of the Members of the Board of Directors and Managers Outside the Company

The duties performed by the members of the board of directors and managers outside the company are given in the table below.

| Name Surname | Company Name | Duty | Situation | Capital Share | | |
|---|---|---|---|---|---|---|
| | | | | Amount | PB | (%) |
| Yuda Leon Mizrahi | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Chairman of the Board | Continuing | 162.629.082 | TL | 33,45% |
| | Dörtgen Gayrimenkul Yatırım ve Turizm A.Ş. | Chairman of the Board | Continuing | 12.345.405 | TL | 58,00% |
| | Mizrahi Investment Lda | Partner of Company | Continuing | 3.700.000 | TL | 74,00% |
| | Mizrahi Greece | Manager | Continuing | 2.100.000 | TL | 70,00% |
| | Mizrahi Investment Malta | Partner of Company | Continuing | 604.000 | GBP | 60,40% |
| | Ortak Gayrimenkul Ticaret Anonim Şirketi | Vice President of the Board | Continuing | None | TL | None |
| | Ortak Yapı Yatırım Anonim Şirketi | Partner of Company | Continuing | 22.050.000 | TL | 13,00% |
| | Kimplast Granül Sanayi ve Ticaret Aş. | Chairman of the Board | Continuing | None | TL | None |
| | Kimpur Europe | Chairman of the Board | Continuing | None | TL | None |
| | Kimpur Uk Limited | Chairman of the Board | Continuing | None | TL | None |
| | Kimpur USA Corp. | Director | Continuing | None | TL | None |
| Cavidan Karaca | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Vice President of the Board | Continuing | None | TL | None |
| | İnnovis Ticaret ve Danışmanlık A.Ş. | Chairman of the Board | Continuing | 50.000 | TL | 50,00% |
| | Kimplast Granül Sanayi ve Ticaret A.Ş. | Vice President of the Board | Devam Ediyor | None | TL | None |
| | Mizrahi One Uk | Partner of Company | Continuing | 200.000 | GBP | 10,00% |
| | Kimpur Europe | Vice President of the Board | Continuing | None | TL | None |
| | Dörtgen Uk Limited | Partner of Company | Continuing | 200.000 | GBP | 10,00% |

| Name Surname | Company Name | Duty | Situation | Capital Share | | |
|---|---|---|---|---|---|---|
| | | | | Amount | PB | (%) |
| İsak İzi Mizrahi | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Board Member | Continuing | 38.182.760 | TL | 7,85% |
| | Dörtgen Gayrimenkul Yatırım ve Turizm A.Ş. | Vice President of the Board | Continuing | 3.192.777 | TL | 15,00% |
| | Oniki Han Gayrimenkul Kiralama Limited Şirketi | Company owner | Continuing | 120.000 | TL | 100,00% |
| | Mizrahi Greece | Partner of Company | Continuing | 150.000 | TL | 5,00% |
| | Mizrahi Investment Malta | Partner of Company | Continuing | 99.000 | GBP | 9,90% |
| | Mizrahi Investment Lda | Director | Continuing | 650.000 | TL | 13,00% |
| Ömer Bakır | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Independent Board Member | Continuing | None | TL | None |
| Mehmet Mete Başol | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Independent Board Member | Continuing | None | TL | None |
| | Nurol Yatırım Bankası A.Ş. | Board Member | Continuing | None | TL | None |
| | Dardenel Önentaş Gıda Sanayi A.Ş. | Independent Board Member | Continuing | None | TL | None |
| Yener Rakıcıoğlu | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | R&D Director | Continuing | 3.542.000 | TL | 0,78% |
| Kadir Tuncay Halat | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Export Director | Continuing | None | TL | None |
| Mustafa Özyılmaz | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Business Director | Continuing | None | TL | None |
| Türker Tuncer | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Human Resources Director | Continuing | None | TL | None |
| Hüsna Yaşar | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Purchasing and Foreign Trade Director | Continuing | None | TL | None |
| Nazif Tuğrul Köstence | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Information Technology Director | Continuing | None | TL | None |
| Derya Esnaf | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | Marketing and Sustainability Director | Continuing | None | TL | None |
| Emrah Akbaş | Kimteks Poliüretan Sanayi ve Ticaret A.Ş. | R&D Polyester and Rigid Business Unit Director | Continuing | None | TL | None |

## 1.2 Company's Capital, Shareholding Structure and Privileged Shares

### 1.2.1 Capital

Company's Paid/ Issued Capital is 486,200,000 TL.

### 1.2.2 Shareholding Structure

| Partner's Name-Surname / Trade Title | Share in the Capital (TL) | Share in the Capital (%) | Voting Rate (%) |
|---|---|---|---|
| Yuda Leon Mizrahi | 162,629,082 | 33.45 | 53.26 |
| Etel Sason | 49,423,780 | 10.17 | 4.87 |
| Beti Mizrahi Sunderland | 38,182,760 | 7.85 | 3.76 |
| İsak İzi Mizrahi | 38,182,760 | 7.85 | 12.52 |
| Salvo Özsarfati | 35,420,000 | 7.29 | 3.49 |
| İnnovis Ticaret ve Danışmanlık A.Ş. | 28,535,864 | 5.87 | 8.90 |
| Diğer | 133,825,754 | 27.52 | 13.20 |
| **TOPLAM** | **486,200,000** | **100** | **100** |

### 1.2.3 Privileged Shares

A ) Privileged Share Amount: 132,000,000 TL

B ) Voting Rights of Privileged Shares: Group A Privileged Shareholders have the privilege to nominate candidates in the Board of Directors and to exercise their right to vote in the General Assembly. Each share has 5 voting rights.

## 1.3 Direct or Indirect Subsidiaries and Share Ratios

| Title | Country of Establisment | Activity | Participation Type | Affiliate / Subsidiary | Effective partnership share | Participation share | Capital |
|---|---|---|---|---|---|---|---|
| Kimplast Granül Sanayi ve Ticaret A.Ş. | Türkiye | Wholesale of Rubbers and Plastics in Primary Forms (Ethylene, Styrene, Vinyl Chloride, Acrylic, etc.) Synthetic and Reclaimed Rubbers in Primary Form with Polymers) | Directly | Subsidiary | 100% | 65% | 7,500,000 TL |
| Kimpur Rus ve Cıs Limited Company | Rusya | Chemicals Trade and Agency Activities | Directly | Subsidiary | 100% | 100% | 3,000,000 RUB |
| Kimpur International Trading Limited | Malta | Chemicals Trade and Agency Activities | Directly | Subsidiary | 100% | 100% | 100,000 EURO |
| SIA Kimpur Europe | Letonya | Chemicals Trade and Agency Activities | Directly | Subsidiary | 100% | 74.99% | 802,800 EURO |
| Kimpur Germany GmbH | Germany | Chemical Substance Trade, Agency, Market Development, and Marketing Activities | Directly | Subsidiary | 100% | 100% | 25,000 EURO |
| Kimpur UK Limited | United Kingdom | Chemical Substance Trade, Agency, Market Development, and Marketing Activities | Directly | Subsidiary | 100% | 100% | 100 GBP |
| Kimpur USA Corp. | ABD | Chemicals Trade and Agency Activities | Directly | Subsidiary | 100% | 100% | 10,000 USD |

## 2. FINANCIAL RIGHTS OF MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The total wage paid to the Members of the Board of Directors and Senior Executives between the period of 01.01.2024 and 31.12.2024 is 191,949,969 TL.

## 3. COMPANY ACTIVITIES AND IMPORTANT DEVELOPMENTS REGARDING ACTIVITIES

### 3.1 Main Areas of Activities

Being of the manufacturers of polyurethane systems in Turkey, the company continues to provide uncommon solutions for customers thanks to its investments on R&D and technology.
The products produced by the company are defined as “polyurethane systems”. It supplies raw materials in “liquid form” to the following industries. Polyurethane systems consisting of 3 or more components are shipped to customers as liquids in drums, tankers or IBC packages. The customer mixes the liquid raw materials during the process, and the process using blowing gases gives polyurethane foam in different forms.

Polyurethanes are polymers formed by the reaction of polyols containing OH group and isocyanates containing NCO group. However, polyurethane systems are commonly considered as special solutions shaped as a result of customer demands and expectations together with know-how, experience and simulation techniques. These customer demands may vary with each other such as densities that provide cost advantage, different hardness demands, demolding at a certain speed, cell structure, very good adhesion to surfaces or not, hydrolysis resistance, dimensional stability, antistatic properties, flexibility, different colors and appearances. These systems are recommended and produced for the polyurethane industry, from single-component products to 4-5-component products, as follows.

- **Rijit foam systems**

Two-component rigid foam systems for insulation for panels and white appliances;

1. The primary component is a physical mixture of polyether polyols, called Polymix, catalyst, urfactant, water and/or blowing agents.
2. The secondary component is Polymeric MDI, supplied from global suppliers and offered to customers as a component of the system.

Rigid foam systems with 4-5 components for the insulation panels.

1. The primary component is a physical mixture of polyether polyols, called Polymix, catalyst, surfactant, water and/or blowing agents.
2. The secondary component is a mixture of performance additives called additives. They are processed in the same process as polymix.
3. The third component is a mixture of special catalysts and processed in the same process as the polymix.
4. The forth component is Polymeric MDI, supplied from global suppliers and offered to customers as a component of the system.
5. Other

The sales volume of rigid systems were approximately 69,7 K tons in 2023, and the domestic sales were approximately 54,2 K tons. In the year 2024, the total sales of rigid systems reached approximately 80,4 thousand tons, with domestic sales reaching about 51,0 thousand tons.

- **Polyurethane systems for the Footwear and Slippers industry**

These are 3-component polyester systems.

1. The primary component is Polyester Polyol and/or Polyester Polyol blends.
2. The secondary component is the physical mixtures of glycols (called Crosslinker), catalyst, sur factant, performance additives and water.
3. The third component is the prepolymers formed due to the reaction of Polyester Polyols and MDIs.

The total sales volume of Kimpur's footwear systems were approximately 40,3 K tons, and the domestic footwear systems sales were approximately 25,4 K tons in 2023. In the year 2024, the total sales of shoe systems reached approximately 32,8 thousand tons, with domestic sales accounting for about 21,2 thousand tons.

- **Flexible foam systems**

For the automotive and office furniture industries;

1. The primary component is a physical mixture of polyether polyols, called Polymix, catalyst, surfactant, water and/or blowing agents.
2. The secondary component is the prepolymers formed due to the reaction of polyether polyols and MDIs called Prepolymers.

The total sales of flexible foam systems were approximately 6,6 thousand tons in 2023, and the domestic sales of those were approximately 4,8 thousand tons. In the year 2024, the total sales of flexible foam systems reached approximately 7,4 thousand tons, with domestic sales reaching about 5,8 thousand tons.

- **Case-Adhesive, Binders - Moisture-curing one-component prepolymers**

1. They are prepolymers formed due to the reaction of Polyester Polyols and MDIs.

When including sales from polyester, case, raw materials, and other product groups, Kimpur achieved a total of approximately 150,9 thousand tons in sales In the year 2024. Approximately 38,0% of these sales consist of exports and export-registered sales.

### 3.2 Research and Development Activities

Kimpur attaches importance to R&D activities with its investments in its technological infrastructure and human resources. It focuses on R&D, new product development, price performance improvement of existing products, and the development of new products and applications that will provide guidance on the unmet needs of our customers.

The company is one of the companies with advanced laboratory infrastructure in the polyurethane industry and employs 28 researchers, each of whom is specialized in their own field. The company employs 1 Ph.D., 6 master's degree, 14 bachelor's degree, 5 vocational school, and 2 technical high school graduates as researchers.

The main principle of our company is to ensure customer satisfaction, support its customers with its products, and to increase their competitiveness in the domestic and especially abroad markets. For this purpose, it designs the most suitable products for its customers by simulating the production of its customers through its technological investments in its own laboratories.

The R&D team is basically divided into 3 main groups based on the product groups. In the group where product studies are carried out for the footwear industry, raw materials are developed for all kinds of products such as soles, slippers, boots etc. All products are developed by the Rigid division for insulation in the construction and refrigerator industries. There are Flexible and Case divisions for many various industries, especially automotive and furniture.

The products are chemically divided into three main groups: polyester, polymix and prepolymer. Kimpur is one of the companies with the largest polyester production capacity in Turkey in the industry. In addition to the polyester polyols it has developed as semi-finished products in its products, it sells directly to domestic and foreign markets. Polimix products consist of a mixture of different raw materials, taking into account the needs of its customers in all kinds of industries. Regarding the isocyanate required for the formation of the polyurethane material, the mixture or reaction processes produce the prepolymers.

The R&D team performs all critical product tests, which are required to be done at the customer's facilities, in accordance with the standards. In line with the needs and demands of the customer, the company's laboratories have the necessary equipment infrastructure. All mechanical and physical properties of the materials are measured and the required criteria are presented for customer satisfaction.

Due to the importance given to the environment and human health, which is one of the most significant principles, the company always gives priority to environmentally friendly raw materials in the products. Several projects have been successfully implemented for this purpose. For example, with the aim of developing a halogen-free product, the project named "170106 - Development of Alternative Blowing Agent Systems to Replace Halogen-Containing Blowing Agents such as 141b, 365/227 and 245fa for Polyurethane Systems" has been carried out successfully and these products have been added to the product range.

Another project named "Obtaining Polymeric Polyester by Styrene Polymerization", was awarded with an investment incentive by the Ministry of Industry and Technology as an import substitute product (since it is not produced in Turkey).
Polymeric Polyester Polyols are very significant performance-enhancing raw materials with an intense area of application in footwear systems.

The investment related to the project was brought to completion in 2019, which was supported by 80% within the scope of the "strategic investment incentives" of the Ministry of Industry and Technology. This raw material, 100% of which is imported, has began to be used in our own production and sold to other system houses both at home and abroad, which has made a great contribution to our country's economy.

One of the important strategies of R&D is to develop its own products with sustainable and domestic resources. The aim is to always utilize the domestic resources at the maximum level in all the projects. In addition, the suppliers are always closely followed in order to reduce its dependence on raw materials and to create alternative sources.

Thanks to all these competencies and successful works, the R&D Center was awarded the Ministry of Industry and Technology in 2017. The company keeps presenting its projects with its own resources and the support of the Ministry of Industry and Technology, which results in increased number of products

and customers every year. With its strength in this field, it increases its potential and share in domestic and foreign markets.

As of 31.12.2024, the Kimpur R&D Center has 28 employees with an average of 12 years of industry experience.

The R&D Center Certificate was obtained and 7 projects of TEYDEB (Technology and Innovation Funding Programs Directorate) were completed. One of these projects was awarded with an investment incentive by the Ministry of Industry and Technology. Since the establishment of R&D Center, 55 R&D Center Projects have been completed and there are 13 ongoing projects. In 2024, there is one project accepted under the Eurostars-3 Program Cut-off 5 (2023/2).

The company has one product for which a patent application has been made, and the process is ongoing.

Under the R&D activities, studies are carried out with various universities and private companies. The Eurostar project has been accepted. In addition, European Union Projects were included in the strategies, and we concentrated our attention on studies in this regard.

In 2019, 2020, 2021, 2022 and 2023 Kimpur was among the 250 companies with the highest R&D expenditures in Turkey.*

*(https://turkishtimedergi.com/ar-ge-250/)

**R&D Strategies;**

- To increase the number and quality of R&D Center personnel,
- To increase university-industry cooperation and to follow basic researches in our field,
- To carry out joint R&D projects with customers and suppliers,
- To benefit more effectively from national and international R&D support programs and to in crease the number of our projects,
- To strengthen qualified personnel and infrastructure for application and simulation processes,
- To develop new and innovative products in the international market,
- To develop joint projects with companies and institutes abroad,
- To develop alternative domestic products to all imported products in the domestic market,
- To develop environmentally friendly and economical products that will increase our competitive ness with global players.
- To develop products that not only meet the needs of the market, but also shape the market, in order to be one of the global players among polyurethane system manufacturers,
- To be one of the leading companies serving in the Defense Industry sector,
- To establish a Polyester Polyol unit and become one of the leading players in this field in the Turkish and Global markets.

### 3.3 Important Developments on Company Activities

√ On 02.01.2024, Our company has renewed the expired capacity report for the production facility located in the Gebze Plastics Organized Industrial Zone. With a productivity-focused project, additional capacity has been obtained in one of the production lines, and our capacity has increased from 129,353 tons to 141,271 tons. Additionally, as previously announced in the disclosure dated 25.07.2023, infrastructure work enabling the production of approximately 30

thousand tons of polyurethane systems has been completed in the Production Facility located in Düzce Gümüşova Organized Industrial Zone and production has commenced at this facility. Consequently, the total production capacity in Turkey has reached the level of 171 thousand tons.

√ On 23.01.2024, In the special disclosure dated 10.01.2023; by the decision of the Company's Board of Directors, it was shared that it was decided to establish a new company in United Kingdom with the aim of strengthening our presence in the region, organizing and enhancing export activities. The establishment process and necessary legal procedures for the new company/subsidiary named Kimpur UK Limited, in which our company will have 100% capital ownership in United Kingdom, have been completed as of 22.01.2024.

√ On 25.01.2024, We are pleased to announce that our project, named "BIODESIGN4INSULATION," with a total budget of 2,128,000 Euros, has been approved following our application to the Eurostars-3 Program. The project was initiated in collaboration with our manufacturing client and four partners from universities and industries in Europe. The consortium aims to develop low-emission, sustainable products using polyurethane material within the scope of sustainability and innovation goals.

√ On 31.01.2024, in addition to the previously obtained incentive certificate, the investment incentive amount for the investment in Düzce under incentive certificate no. 534146 and the incentive certificate no. 523696 for our Gebze factory were increased by a total of 31,611,500 TL by the Ministry of Industry and Technology upon our application. Thus, the company's total investment incentive amount reached 446,037,086 TL.

√ On 08.02.2024, In the special disclosure dated 08.09.2023; it was announced that, in line with the decision of the Company's Board of Directors and our global restructuring, a new company is planned to be established in the United States of America (USA). The purpose is to enhance our presence in the USA and regional markets, conduct market development efforts, and manage sales and distribution processes in the region. The establishment process and necessary legal procedures for the new company/subsidiary named Kimpur USA Corp, in which our company will have 100% capital ownership in the USA, have been completed as of 08.02.2024.

√ On 14.02.2024, As announced in our special disclosure dated December 8, 2023, our application submitted to the Capital Markets Board ("CMB") for the approval of the issuance documents regarding the borrowing instrument issuance ceiling planned to be conducted domestically has been approved at the CMB's meeting dated February 8, 2024, with decision number 9/184.

√ On 19.03.2024, On March 19, 2024, the new logo design efforts conducted to strengthen our company's corporate identity were completed. Our company will continue its operations with a new logo designed to better reflect its values and vision.

√ On 02.04.2024, According to the OSB Stars Survey conducted by the Organized Industrial Zones Supreme Organization (OSBÜK), which aims to provide a solid and reliable reference source with data on the performance of Organized Industrial Zones (OSBs) and companies operating within them, our company has been named the 'Top Sales Company' in the Gebze OSB where we operate this year. Additionally, our company has secured a place among the top 30 firms across all OSBs in Turkey. Moreover, our company is also among the 'Top 50 Exporting Companies' and 'Top 100 Companies with the Greatest Export Growth' in Turkey's OSBs.

√ On 27.05.2024, our company (Kimpur), which is the largest polyurethane system house established with 100% local capital in Turkey, reached an important strategic partnership agreement with Ravago Petrokimya A.Ş. (Ravago). Under this collaboration, Kimpur will handle the production, sales, and marketing activities of all polyurethane systems and products branded as 'Ravapol' by Ravago. As part of the agreement, Ravago's existing polyurethane system production facilities and equipment will be relocated to Kimpur's facility in Düzce. With this strategic move, our company will gain approximately 85,000 tons of additional capacity. Consequently, our current domestic production capacity will increase from 171,000 tons (141,000 tons at the Gebze facility and 30,000 tons at the Düzce facility) to 256,000 tons with this new strategic investment. Additionally, with a production capacity of 25,000 tons at our Latvia facility, our total global capacity will reach 281,000 tons. The transfer process will begin on June 15, 2024, and is expected to be completed by the end of 2024.

√ On 26.06.2024, our company, which ranked 204th among 'Turkey's 500 Largest Industrial Enterprises' in 2022, moved up 16 places to rank 188th in 2023.

√ On 23.08.2024, as a result of our company's activities in corporate governance and the improvement efforts made, the Corporate Governance Rating Report prepared by SAHA Corporate Governance and Credit Rating Services Inc. raised our existing rating score to 9.37 (93.65) as of August 23, 2024.

√ On 23.08.2024, in accordance with Article 4.2.8 of the appendix to the Capital Markets Board's Corporate Governance Communiqué, the existing 'Directors and Officers Liability Insurance' for our Board Members and Senior Executives has been renewed for an amount exceeding 25% of the company's capital.

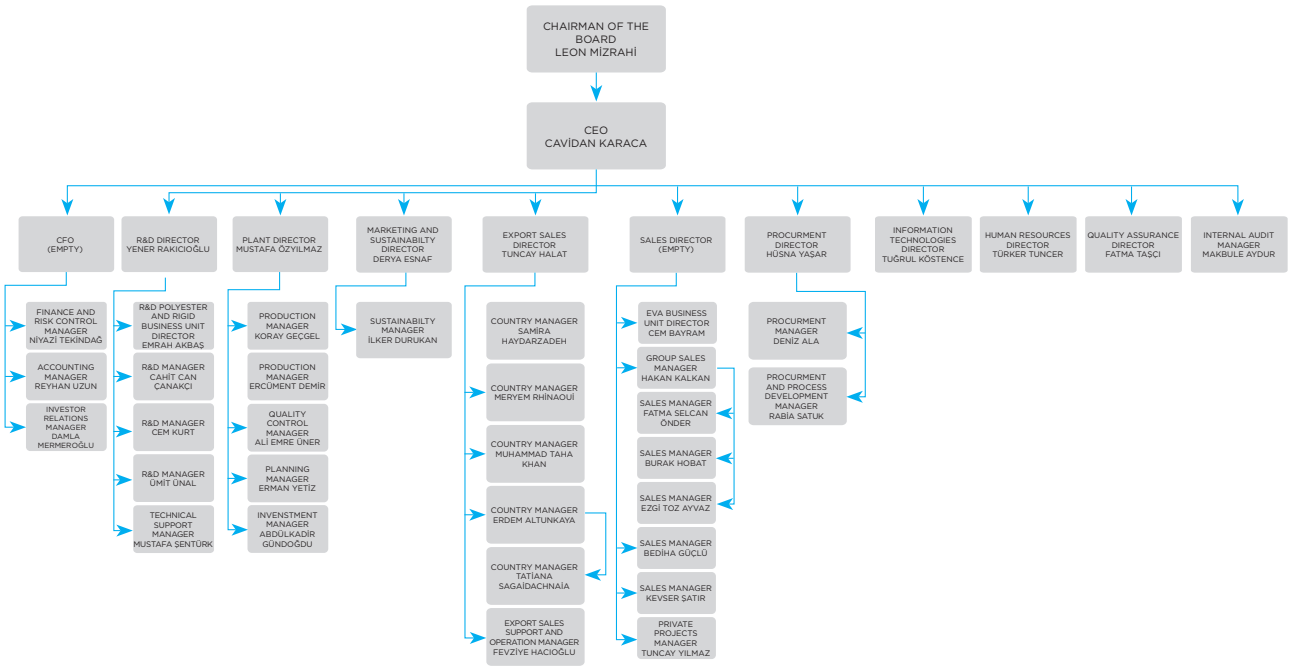
√ On 02.10.2024, our company's application to the Capital Markets Board regarding the extension of the validity period of the registered capital ceiling and the increase in the registered capital ceiling amount was approved with the letter dated 01/10/2024 and numbered E-29833736-110.04.02-60555.

√ On 21.10.2024, our application for obtaining the necessary approvals regarding the amendment of Article 6, titled 'Capital,' of our Company's Articles of Association, within the scope of increasing the registered capital ceiling and extending its duration, was approved by the Republic of Turkey Ministry of Trade with its letter dated 14/10/2024 and numbered E-50035491-431.02-0010176270.

√ On 21.11.2024, our company was evaluated by Ecovadis, a rating agency that conducts sustainability assessments for over 130,000 companies across more than 220 industry groups in 180+ countries based on various criteria such as environment, ethics, human rights, and sustainable supply chain management. As a result of this evaluation, our company ranked in the top 13% of its sector and was awarded the 'Ecovadis Silver' medal.

√ On 27.12.2024, the credit rating agency JCR AVRASYA DERECELENDİRME A.Ş. assigned our Company a long-term national corporate credit rating of 'AA-'(tr) and a short-term national corporate credit rating of 'J1+'(tr), with a 'stable' outlook. JCR AVRASYA DERECELENDİRME A.Ş. also assigned our Company a long-term international foreign currency and long-term international local currency corporate credit rating of 'BB', with a 'stable' outlook.

### 3.4 Organizational Structure of the Company




## 4. INCENTIVES

The company has an R&D Center registered by the Ministry of Industry and Technology and benefits from incentives in this regard. The Company gains the advantage of deduction support for income tax withholding, SSI discount and tax advantage from the amount deducted from the corporate tax base within the scope of the exemptions and deductions, in case the it has a profit as per Article 10/1-a of the Law on the Protection of Personal Data in the determination of corporate tax. The company carries out TEYDEB (Technology and Innovation Funding Programs Directorate) projects within the scope of supporting R&D projects and TEYDEB provides cash supports. The company has the “Middle and High Technology Investments” certificate and the 4th Region incentive certificate for its investments to expand its existing production facility. In this context, the company is provided with corporate tax reduction, VAT and SSI tax reduction advantages.

### Tax Incentives

Since the company meets the conditions stipulated for the “5% Tax Reduction for Tax Compliant Taxpayers”, it is considered as a compliant taxpayer and received a tax support between 2019-2020. Tax incentives were utilized for the year 2023, and they have also been utilized in 2024.

## 5. QUALIFICATION, CERTIFICATION, REGISTRATION DOCUMENTS AND MEMBERSHİPS

**Qualification and Certification:**

- TS EN ISO/IEC 27001: 2017 Information Security Management System
- TS EN ISO 9001: 2015 Quality Management System
- TS EN ISO 50001: 2018 Energy Management System
- TS EN ISO 14001:2015 Environmental Management System
- CE Certificate And Reach Certificate

- Economic Operator Authorized By The Ministry Of Customs And Trade Certificate
- EYDEP Certificate

**Memberships**
- Polyurethane manufacturers association
- SAHA İstanbul (Defense and Aerospace Cluster)
- SASAD (Defense and Aerospace Industry Manufacturers Association)
- SPFA ( Spray Polyurethane Foam Alliance), USA
- Turkish Chemical Manufacturers Association
- TUYID- Investor Relations Association
- SKD Turkey - World Business Association for Sustainable Development
- IMMIB (Minerals and Metals Exporters' Association in Istanbul)
- PANELDER (Insulated Panel Manufacturers Association)
- Chamber Of Industry Of Kocaeli
- Turkey Circular Economy Platform
- EUROMOULDERS (European Manufacturers of Moulded PU Parts for the Automotive Industry)
- EUROPUR (European Manufacturers of Moulded PU Parts for the Automotive Industry)
- Polyder Polyurethane Industrialists And Exporters Association
- United Nations Global Compact
- United Nations Global Compact Network Türkiye
- Business World Plastic Initiative

**Trademark Registration Documents**

The Company has 19 registered trademarks. One patents developed in these projects are currently pending.

## 6. OTHER IMPORTANT INFORMATION

### 6.1 Related Party Transactions

Trade receivables from related parties generally arise from sales of merchandise The receivables are inherently unsecured and no interest is charged. Trade payables to related parties generally arise from purchase transactions.

Information on our company's transactions with related parties is included in in the company's Independent Audit Report, Footnote 4, dated 31.12.2024.

### 6.2 Policy on Profit Distribution

The purpose of the profit distribution policy is to determine the profit distribution principles of the Company and to enable the shareholders to foresee procedures and principles of distribution of the profit to be obtained by the Company in the future periods, in accordance with the regulations to which the Company is subject and the provisions of the Articles of Association. The Company takes the utmost care to establish a balance between the interests of the shareholders and the interests of the Company in terms of dividend distribution. The Board of Directors is has the authority and responsibility to monitor, develop and update the Company's Profit Distribution Policy.

The Company decides on profit distribution by taking into account market expectations, long-term strategies, capital requirements of the Company, and subsidiaries, investment and financing policies, profitability and cash statement, to the extent that it is allowed by the relevant regulations and financial facilities. Dividend can be distributed to the shareholders free of charge by adding cash or profit to the

capital, and a certain amount of cash can also be distributed as bonus shares. The company aims to distribute at least 50% of the distributable period profit, calculated within the framework of the capital market legislation, to the shareholders.

The dividend is distributed equally to all of the Existing Shares in proportion to their shares by the distribution date, regardless of their issuance and acquisition dates. The Company does not have any shares with dividend privileges.

Unless the reserves required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the Articles of Association or the Profit Distribution Policy are allocated; no decision may be taken to allocate other reserves, to transfer profits to the next year, and to distribute dividends from the profits to the members of the board of directors, employees of the partnership and persons other than the shareholders, unless the dividend determined for the shareholders is paid in cash, no dividends can be distributed to these persons. Dividends are distributed to the shareholders on the date determined by the General Assembly, following the approval of the assembly within the specified legal periods. The General Assembly decides on the date of profit distribution. The General Assembly or, if authorized, the Board of Directors may decide to distribute the dividend in installments in accordance with the Turkish Capital Market Legislation.

The Board of Directors may distribute advance dividends, provided that it is authorized by the General Assembly and complies with the Turkish Capital Market Legislation.

The General Assembly of the Company may decide to distribute advance dividends to the shareholders within the framework of the provisions of the Capital Markets Board (CMB) and other relevant legislations. The provisions of the relevant legislation are followed in the calculation and distribution of the amount of advance dividend. It is obligatory to authorize the Board of Directors to distribute advance dividends, limited to the relevant accounting period, upon the decision of the General Assembly.

### 6.3 Information on financial risk management policy

A reliable data provision infrastructure has been designed for all financial targets of the Company, and monitoring indicators have been defined based on the speed provided by the information security infrastructure and the SAP system. Monitoring indicators are reported to the senior management on a weekly, monthly and annual basis. Accordingly, the budget and realizations approved by the Board of Directors are reviewed with the same frequency of meetings along with the senior management. In case of deviations, the root causes are determined and the decisions are to be taken in this context. The performances of senior management and departments and all employees are evaluated in Kimpur PYS, and the parameters are considered based on these data.

For domestic customers, the reports of risk assessment institutions, the credit-collateral status, shareholding structure and financial risk of all new customers are examined, and if they comply with the criteria, the possible working limit is determined.

Financial risk reports of the critical customers are repeated quarterly and reported to the senior management.

The company applies working models in the form of cash, money order or customer check in line with the sales term and sales method defined to the customers, and receives a “letter of guarantee” from some customers in line with their risk status.

For export customers, the financial risk status is reviewed and the limit of Eximbank research is performed (if the country is a state covered by Eximbank insurance) If a limit is identified, we work within the relative limit and maturity. In addition, we apply export models such as cash payment, letter of credit, bank-certified policy, cash against documents and similar guaranteed payments.

The CEO and sales-marketing teams evaluate the budget compliance, risk and collateral status of all customers on a weekly basis.
The company monitors the compliance of the cash flow with the budget on a weekly basis. In the monthly "Financial Status Presentation" to the board of directors; monthly and cumulative annual financial statements, budget compliance, sales volumes, profitability by product-customer and country are evaluated. The risk status is reviewed to schedule the required activities.

**Currency Risk**
The company complies with a hedging policy in order to manage the exchange rate risk arising from approximately 90% of the raw materials imported and foreign currency liabilities. As per this policy, no foreign exchange short position is allowed. In addition, TL-based trade receivables from TL sales are also hedged under the hedging policy.

**Interest Rate Risk**
The Company is exposed to interest rate risk since the borrowing transactions are performed at fixed and variable interest rates.
The company determines its borrowing shares at fixed and variable interest rates, taking into account the interest rate changes in the market. Due to the credit limits in many banks, it can use loans at competitive interest rates.

### 6.4 Information on legislative changes that will significantly affect the company activities
During the period of 01.01.2024 and 31.12.2024, legislative amendments were made that would significantly affect the Company's activities.

### 6.5 Events following the reporting period
None

### 6.6 Descriptions on the private and public audits during the fiscal period
There were no private audits and public audits conducted between 01.01.2024 and 31.12.2024 during the accounting period.

### 6.7 Information on lawsuits filed against the company, which may affect the company's financial status and activities, and their possible consequences
There are no lawsuits filed on behalf of our company that may affect the financial status and activities of the company, and there are no possible outcomes.

### 6.8 Administrative or judicial sanctions imposed on the company and the members of the management body due to practices contrary to the legal provisions
There are no administrative or judicial sanctions imposed on the company and the members of the management body due to practices contrary to the legal provisions

### 6.9 Information on the Extraordinary General Assembly Meeting, including the date of the meeting, the decisions made at the meeting and the related transactions (If the extraordinary general assembly meeting is held during the period)
No extraordinary general assembly meeting was held between 01.01.2024 and 31.12.2024

**6.10 Donations and aids by the company during the period and expenditures on social responsibility projects**

The company has an expenditure of 1,388,050 TL for donations, aids and social responsibility projects within the period of 01.01.2024 and 31.12.2024.

**6.11 Shares acquired by the company**

There are no shares acquired by the company

**6.12 Information about the company's internal control system and internal audit activities, and the opinion of the management body on this subject.**

The risk management and internal control system is under the responsibility and control of the company management. The Early Detection of Risk Committee operates in order to provide assurance and consultancy to the management on these issues.

Our company has reviewed the risk management and internal control system of the Board of Directors In the activity period of 2024, the meetings held by the Early Detection of Risk Committee established within our company in accordance with the Capital Market Legislation to evaluate the risks that may arise from financial, administrative and operational risks, and the reports prepared for these meetings were evaluated by our board, and the reports given by the committee were taken into account in the decisions to be taken.

The effectiveness of the risk management and internal control systems was reviewed based on the reports received from the relevant committees and units during the period, and it was concluded that it was sufficient to determine the possible risks of the Company.

The company utilizes the SAP system in order not to affect the systems and to prevent data loss in any extraordinary situation. The system monitors the activity results on an instant basis and provides measurement and processing opportunities. Thanks to SAP, an important technological infrastructure, errors are minimized, the efficiency of the internal control system is increased and investments such as the backup system are emphasized.

The defination and monitoring of all possible risks that may be faced by the company forms the basis of risk management. The company has a Risk and Opportunity Management procedure in line with the Quality Management System. The risks in this procedure are corporate risks and operational risks. The corporate risks are defined as our corporate risks in achieving our company's vision and goals. In addition, operational risks are defined as the detection of potential situations that may cause loss of power, time, motivation and productivity in the internal processes of our company's departments. Information security, environment, OHS, energy management, social responsibility etc. are handled under the operational risk management.

**6.13 Determination of whether the company's capital is unrequited or whether it is in bankrupted and reviews of the board of directors**

The company's capital has not remained unrequited.

**6.14 Conflicts of interest between the company and the institutions that provide services such as investment consultancy and rating, and measures taken by the company to prevent such conflicts of interest**

There is no conflict of interest between the company and the institutions that provides services for it such as rating or investment consultancy.

**6.15 Information on corporate social responsibility activities regarding employees' social rights, vocational training and activities that have other social and environmental consequences**

As an expression of its respect for people and its employees, Kimpur has published its Social Responsibility Policy, prepared in accordance with SA8000 regulation, and has committed to implement the policy.
We always support our human resources on the way to perfection with the best human resources processes designed by considering the strategic goals and priorities of Kimpur and evaluating the current and future organizational and individual needs.

The selection and placement processes are designed in accordance with Kimpur's priority strategies with an aim to identify high-quality candidates who are suitable for the company culture and values and the requirements of the job. The tools and facilities required to have an objective evaluation are included in the process and managed efficiently and fairly.

With our belief that the development of our employees can be achieved through continuous trainings, we primarily aimed to create a working environment where everyone can learn, experience and develop efficiently. We have developed project groups, mentorship processes and matrix management approach. Employee-specific training plans are implemented and followed on an annual basis, taking into account Kimpur's organizational goals and priorities, in order for the employees to improve themselves and their job and create value.

The current Performance Management System of Kimpur, designed to manage the employee performance so that Kimpur can achieve its strategy and goals, is an effective management tool that enables the employee to be guided towards common goals and objectives, integrating the company goals with employees' goals, project objectives and competencies.

**SOCIAL GENDER EQUALITY**

We aim to achieve gender equality both in society and in professional life and offer equal rights to women and men in all employment processes from recruitment to retirement. We proceed with the approach of spreading gender equality among all employees and raising awareness, supporting women throughout their careers, increasing the employment rate of women, and increasing the role of women in decision-making mechanisms and ensuring gender equality in leadership.

**EQUAL OPPORTUNITY AND DIVERSITY**

Kimpur adopts the principle of equality of opportunity and diversity, and considers that people are different from each other in many ways. Based on the fact that in-house diversity is a wealth and plenitude, we strive to create a fair environment within the company, to find equal opportunities and egalitarian practices. We offer equal opportunities in recruitment processes, interviews, performance measurement and evaluation,

career planning, promotion system, training and development programs and applied wage policy. Through this equal opportunity policy, we take care to provide a working environment based on the principle of Equal Opportunity and Diversity, without making any discrimination based on gender, age, religion, sect, race, marital status, philosophical belief and similar visible or invisible reasons.

**EMPLOYEE TRAINING AND DEVELOPMENT**

The training of our employees is one of the most significant elements of our improvement. Our Human Resources team designs programs for our employees that include annual personal development, job/position-specific expertise, and vocational training in order to improve business practices, balance the training development activities in all of company activities, to meet local requirements and needs, and to support employees in their career goals and conducting their jobs safely and effectively.

A total of 5157,5 hours of training was organized between 01.01.2024 and 31.12.2024.

### 6.16 Rights and Benefits Provided to Employees

The rights and benefits provided to our company employees are given below.

- Fee
- Performance Bonus
- Bonus
- Holiday Allowance
- Food Card
- Private Health İnsurance
- Private Life Insurance
- Personal Accident Insurance
- Avita Employee Support Program
- Company Contribution Private Pension System
- Heating aid
- Transportation Assistance
- Food (Market) Card
- Report Card Gift
- Birthday Gift
- Education Allowance
- Scholarship Assistance

## 7. CORPORATE MANAGEMENT

### 7.1 Declaration of Conformity with Corporate Management Principles

Pursuant to Article 5 of the Corporate Management Communiqué No. II-17.1 (“Communiqué”) of the Capital Markets Board (“CMB”), published in the Official Gazette No 28871, dated January 3, 2014 and titled “Implementation of Corporate Management Principles”, the Company has paid utmost attention to ensure the required compliance by date of the first general assembly. The company is aware of its responsibilities towards its stakeholders and has adopted the concepts of “equality”, “transparency”, “accountability” and “responsibility”, which form the basis of corporate management.

Our company, during the financial period from January 1, 2024, to December 31, 2024, has exerted maximum effort and diligence in compliance with the mandatory and voluntary principles set forth in the Capital Markets Board's Corporate Governance Communiqué II-17.1 ('Communiqué'). The company aims to achieve full compliance by completing administrative, legal, and technical infrastructure work, including keeping abreast of developments, including new regulations issued by the Capital Markets Board. There is no conflict of interest between our company and stakeholders.
There is no conflict of interest between our company and stakeholders.

Within the exceptions specified in Article 6 of the regulation, the number of independent board members, as stated in principle (4.3.4), is applied as two.

Our company's Corporate Governance Rating has been revised and increased to 9.37 (93.65) within the framework of the Corporate Governance Rating Report prepared by SAHA Corporate Governance and Credit Rating Services Inc. (SAHA) as of 23.08.2024. The distribution of our Corporate Governance Rating by main categories is provided below.

| **Main Titles** | **Weight** | **Note Received** |
|---|---|---|
| Shareholders | %25 | 89,00 |
| PublicDisclosure Transparency | %25 | 95,53 |
| Stakeholders | %15 | 99,51 |
| Board of Directors | %35 | 93,12 |
| **Total** | **%100** | **93,65** |

Under the Capital Markets Board's decision dated 10.01.2019 and numbered 2/49, the 'Corporate Governance Compliance Report (URF)', which shows the compliance status of our company with the Corporate Governance Principles that are voluntary to implement, and the 'Corporate Governance Information Form (KYBF)', which provides information about our current corporate governance practices, can be accessed on the company's corporate website at https://kimpur.com/en/ under the section 'Investor Relations/Corporate Governance/Corporate Governance Compliance Report' and on the Public Disclosure Platform
(https://www.kap.org.tr/en/cgif/8acae2c47d3bee4e017da32a238f235f).

## 7.2 Board Of Director's Declaration of Independence

**DECLARATION OF INDEPENDENCE**

With respect to the corporate governance principle numbered 4.3.6 of the Capital Markets Board's Communiqué on Corporate Governance numbered II-17.1, in order for me to be selected as an Independent Board Member of KIMTEKS POLİÜRETAN SANAYI VE TICARET ANONIM ŞIRKETI (Company), I hereby agree, represent and undertake that I;

a) do not have a relationship in terms of employment at an administrative level to take upon significant duty and responsibilities within the last five years, do not own more than 5% of the capital or voting rights or privileged shares either jointly or solely or do not have established a significant commercial relation between the corporation, companies on which the corporation hold control of management or significant effect and shareholders who hold control of management of the corporation or have significant effect in the corporation and legal entities on which these shareholders hold control of management and myself, my spouse and my relatives by blood or marriage up to second degree,

b) have not been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of board of directors within the last five years in companies that the corporation purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the corporation, at the time period when the corporation purchases or sells services or goods,

c) have professional education, knowledge and experience in order to duly fulfill the duties assigned for being an independent board member,

d) will not be serving as a full-time employee at public authorities and institutions after being elected, except being an academic member at university provided that is in compliance with the relevant legislation,

e) am residing in Turkey in accordance with the Income Tax Law (I.T.L) dated 31.12.1960 and numbered 193,

f) am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interests between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

g) am able to allocate time for the corporation's business in order to follow up the activities of the corporation and duly fulfill the allocated duties,

h) have not conducted membership of board of directors more than a term of six years in the last ten years,

i) am not the independent member of the board of directors in more than three of the corporations as such; the corporation or the controlling shareholders of the corporation who hold the control of management corporations and in more than five corporations in total which are admitted to the trading on the exchange,

j) have not been registered and announced as a board member representing a legal entity.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,

**Mehmet Mete Basol**

**DECLARATION OF INDEPENDENCE**

With respect to the corporate governance principle numbered 4.3.6 of the Capital Markets Board's Communiqué on Corporate Governance numbered II-17.1, in order for me to be selected as an Independent Board Member of KIMTEKS POLİÜRETAN SANAYI VE TICARET ANONIM ŞIRKETI (Company), I hereby agree, represent and undertake that I;

a) do not have a relationship in terms of employment at an administrative level to take upon significant duty and responsibilities within the last five years, do not own more than 5% of the capital or voting rights or privileged shares either jointly or solely or do not have established a significant commercial relation between the corporation, companies on which the corporation hold control of management or significant effect and shareholders who hold control of management of the corporation or have significant effect in the corporation and legal entities on which these shareholders hold control of management and myself, my spouse and my relatives by blood or marriage up to second degree,

b) have not been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of board of directors within the last five years in companies that the corporation purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the corporation, at the time period when the corporation purchases or sells services or goods,

c) have professional education, knowledge and experience in order to duly fulfill the duties assigned for being an independent board member,

d) will not be serving as a full-time employee at public authorities and institutions after being elected, except being an academic member at university provided that is in compliance with the relevant legislation,

e) am residing in Turkey in accordance with the Income Tax Law (I.T.L) dated 31.12.1960 and numbered 193,

f) am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interests between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

g) am able to allocate time for the corporation's business in order to follow up the activities of the corporation and duly fulfill the allocated duties,

h) have not conducted membership of board of directors more than a term of six years in the last ten years,

i) am not the independent member of the board of directors in more than three of the corporations as such; the corporation or the controlling shareholders of the corporation who hold the control of management corporations and in more than five corporations in total which are admitted to the trading on the exchange,

j) have not been registered and announced as a board member representing a legal entity.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

**Omer Bakir**

## 8. INFORMATION ON COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

The "Compliance with Sustainability Principles Framework" contains the basic principles that public companies are expected to disclose while carrying out their Environmental, Social and Corporate Management (ESM) processes. Although the implementation of these principles is on a voluntary basis, it is obligatory to report whether they are applied or not, with the principle of "Comply or Explain".

Some of the principles included in the Social Principles and Corporate Management Principles in the Sustainability Principles Compliance Framework are also found in the current Corporate Management Principles of the Capital Markets Board. Our company's compliance with these principles is currently disclosed in the Corporate Management Compliance Report (CMCR) and Corporate Management Information Form (CMIF) published on the KAP Platform.

The Sustainability Principles Compliance Framework has been prepared in accordance with the announcement of the Capital Markets Board ("CMB") within the context of the amendment in the Corporate Governance Communiqué No II-17.1 published in the Official Gazette on October 2, 2020 (31262), and in accordance with the template published in the Bulletin of the Capital Markets Board ("CMB") dated 23 June 2022 (2022/32). The framework is available at the "Investor Relations/Corporate Governance/Sustainability Principles Compliance Framework" section in the corporate website of the company
(https://kimpur.com/tr/) and at the Public Disclosure Platform(www.kap.org.tr).

## 9. FINANCIAL CONDITION

**BALANCE SHEET AND INCOME STATEMENT**

| **Income Satement** | **31.12.2024** | **31.12.2023** | **Change (%)** |
|---|---|---|---|
| Revenue | 13,244,286,543 | 15,350,505,099 | -14% |
| Gross Income | 1,887,871,787 | 2,591,200,206 | -27% |
| Core Operating Profit | 1,368,381,939 | 2,376,676,635 | -42% |
| Profit for the Period | -1,065,299,165 | 873,365,783 | -222% |
| **Balance Sheet** | **31.12.2024** | **31.12.2023** | **Change (%)** |
| Long Term Assets | 7,790,514,474 | 11,061,725,726 | -29% |
| Fixed Assets | 1,915,803,985 | 1,770,201,496 | 8% |
| Short-Term Liabilities | 7,009,822,479 | 8,226,550,358 | -14% |
| Long-Term Liabilities | 58,584,986 | 680,956,259 | -91% |
| Equities | 2,637,910,994 | 3,924,420,605 | -33% |
| Net Period Profit | -1,045,485,345 | 877,242,525 | -219% |

## 10. OPERATIONAL AND FINANCIAL PERFORMANCE GOALS

Our operational goal is to become a globally recognized company in polyurethane systems through innovative products and extraordinary solutions. Expanding sales into Eastern European and American markets is also among our objectives.

In addition, the operational and financial performance goals of the company are outlined in the valuation report prepared by the Industrial Development Bank of Turkey ("TSKB"). The mentioned valuation report is available on the Public Disclosure Platform (KAP) and our company's corporate website (https://kimpur.com/en/investor-relations/#public-offering-information).

This report has been issued in accordance with the provisions of the "Regulation on Determining the Sections and Minimum Content of the Annual Report" published in the Official Gazette No 28395, dated 28.08.2012, by the Ministry of Commerce. It has been signed and approved by the members of the Board of Directors of the company whose names are given below.

Best Regards,
11.03.2025

**Chairman of the Board**
Yuda Leon Mizrahi

**Vice President of the Board**
Cavidan Karaca

**Board Member**
İsak İzi Mizrahi

**Independent Board Member**
Ömer Bakır

**Independent Board Member**
Mehmet Mete Başol

KİMPUR


**KİMTEKS POLİÜRETAN SANAYİ VE TİCARET A.Ş.**

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