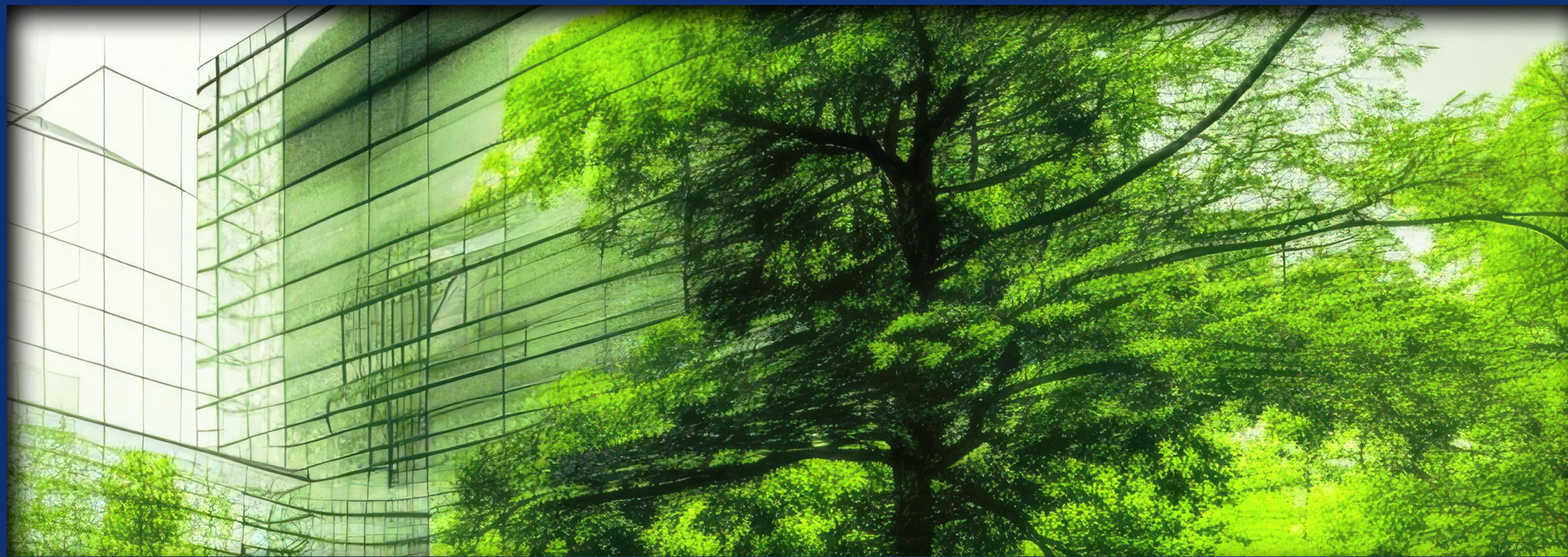
GAP İNŞAAT

INTEGRATED ANNUAL REPORT 2024



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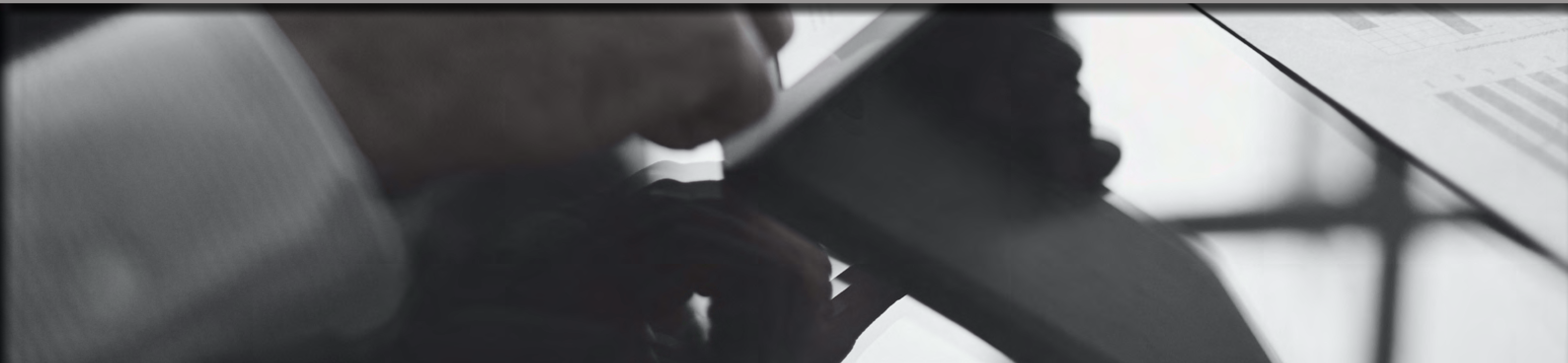


As Gap İnşaat, we are pleased to present our 2024 Integrated Annual Report, prepared in accordance with our integrated reporting approach that combines our vision of sustainable growth with the principles of transparency and accountability, to you, our valued stakeholders. Prepared within the framework of the six capital items proposed by the International Integrated Reporting Council (IIRC), this report goes beyond our financial performance and sets forward a large area of influence from our environmental impacts to social contributions, and from our corporate governance approach to sustainability strategies with a comprehensive and holistic perspective.

The global economic, social and environmental transformations require the construction sector to adopt a more resilient, environmentally conscious and responsible business culture. As Gap İnşaat, we aim to be not only a part but also a leading actor in this transformation. Our report was created with this perspective, and reflects our core material topics and the resources we use to manage these topics with concrete examples, in line with our business model shaped by a resilience approach that goes beyond sectoral vulnerabilities.

In the auditor's report regarding the 2024 Integrated Annual Report, an opinion is provided on whether the financial information contained within the annual activity report is consistent with the complete set of consolidated financial statements and the information obtained during independent audits, as well as whether it reflects reality. The financial information related to the independent auditor's report included in the annual report was audited by Güney Bağımsız Denetim ve SMMM A.Ş. The Integrated Annual Report was prepared in consultancy with PwC Türkiye's Sustainability Team.

We believe that our report will contribute to a better understanding of our Company's multidimensional value creation process and communicate its efforts contributing to sustainable development to all stakeholders more effectively. You can share all evaluations and opinions about our report via the address **surdurulebilirlik@gapinsaat.com.**

All abbreviations and terms used in the report can be found in the **"Glossary"** section.

SCOPE OF THE REPORT

Our integrated annual report covering the period from 01 January to 31 December 2024, has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). Our report provides a holistic overview of the corporate, environmental, social and financial performance of Gap İnşaat Yatırım ve Dış Ticaret A.Ş., and sets forth our value creation strategies, stakeholder relationships, sustainability commitments, and future targets with an integrated approach.

Unless otherwise specified, terms such as "we", "Gap İnşaat" and "our company" refer to Gap İnşaat Yatırım ve Dış Ticaret A.Ş. Our report also highlights the intersection between our activities and the United Nations Sustainable Development Goals (SDGs), and transparently shares our contributions to sustainable development with the public.

MESSAGE OF THE CHAIRMAN

Dear Stakeholders,

As Çalık Group, we have left behind a year in which we advanced with confidence, drawing strength from our deep-rooted history, and reinforced our strategic goals. Across five distinct sectors, with more than 19,000 colleagues in 34 countries, we remain steadfast in our commitment to creating sustainable value and contributing to society.

The year 2024 was marked by ongoing global economic uncertainty and an accelerated pace of technological transformation. The Russia-Ukraine crisis, tensions in the Middle East, and high inflation reshaped business priorities across industries. In addition to these geopolitical challenges, rapid advancements in areas such as artificial intelligence, automation, and data analytics opened up new opportunities for increased efficiency and structural transformation. This landscape underscored, once again, the critical importance of agility and adaptability for both nations and corporations.

Despite global challenges, the Turkish economy grew by 3.2% in terms of Gross Domestic Product (GDP) in 2024, making it one of the two fastest-growing economies among OECD countries. This strong performance boosted confidence in the investment climate and created new business opportunities for the private sector.

The construction sector, meanwhile, continued to shape the cities of tomorrow not only through its strong momentum in production and employment, but also through its transformation driven by digitalization and sustainability. In Türkiye, urban transformation, infrastructure development, and renewable energy investments stood out as essential pillars of this evolution.

In this context, as Gap İnşaat, our group's flagship company in the engineering and construction sector, we have focused on regional needs and international opportunities. We have made significant progress in line with our strategic priorities.

Driven by our commitment to a sustainable future, we took steps to reduce our environmental impact and use resources more efficiently. We continued to develop nature-compatible projects by lowering our carbon footprint. Through socially oriented initiatives, we implemented various programs to increase female employment, attract young talent to the sector, and support local development. While strengthening our global position with large-scale projects implemented domestically and internationally, our approach based on digitalization, increased efficiency, and disciplined resource management has progressed in full alignment with our sustainable growth goals.

In this new era of rapid global change and transformation of traditional systems, Çalık Group embraces the responsibility of contributing to the development goals of both our country and the regions in which we operate. In the period ahead, we will continue to create lasting value for societies, our business partners, and all stakeholders through our presence across diverse industries.

With this vision, our 2024 Integrated Annual Report presents our financial performance, progress in sustainability, and strategic journey. On behalf of the Board of Directors, I would like to sincerely thank all our colleagues who contributed to this success, as well as our valued stakeholders who have accompanied us throughout this journey.

Sincerely,

Ahmet ÇALIK
Chairman of the Board

MESSAGE OF THE CEO

Dear Stakeholders,

2024 was another important milestone in Gap İnşaat's journey of 28 years. Since we embarked on this journey in 1996, we have made a significant impact across three continents through our strong presence in engineering and construction, as well as our core values of trust, sustainability and innovation. Our large-scale projects and long-term business partnerships have further strengthened our position in the global arena.

This year was marked by global macroeconomic fluctuations, financial uncertainties and geopolitical tensions. As Gap İnşaat, we faced uncertainties in many areas from supply chains to construction costs; however, we continued to add value to our country and the regions where we operate despite all these challenges.

We had a financially strong year as well. Our net sales reached TRY 14 billion with an increase of 124%. Our net sales of TRY 6.24 billion more than doubled, while our asset size reached from TRY 27.3 billion to TRY 38.3 billion with an increase of 40%. This success indicates our commitment to our sustainable growth targets, disciplined efforts and strategic management approach.

As the construction sector accelerated its digital transformation in 2024, Gap İnşaat was at the heart of this transformation. We identified risks at the outset of the project with our data-driven approach, ensuring resource efficiency and strengthening business continuity systematically. AI-powered technologies transformed not only our operations but also our decision-making processes.

This year, the impacts of the climate crisis became even more visible. Increasing heat waves, heavy rainfall and extreme weather events once again highlighted the critical importance of climate-resilient approaches in infrastructure projects. As Gap İnşaat, we consider environmental sustainability not only as a responsibility but also as an opportunity. With this understanding, we continued to rigorously implement environmental sustainability management, responsible investment principles and environmental impact assessment processes (EIA) in all areas of operation.

Our responses to global developments were directly reflected in our projects. This year, we continued to rise in the ENR (Engineering News-Record) Top International Contractors list among the most prestigious contractors that we have been included in since 2006. We were among the service exporters champions in the "Top 1000 Exporters of Türkiye 2024" list published by the Türkiye Exporters Assembly (TIM). We added value to local economies and made tangible contributions to global development through our completed and ongoing infrastructure, superstructure, healthcare, industrial and EPC projects. In the coming period, we aim to carry our success level up by developing new projects across a broad geography from Central Asia to Germany and from the Middle East to Africa.

Reducing environmental impacts, supporting local development and lowering our carbon footprint were among our top priorities in our projects. We reaffirmed our commitment to responsible investment principles while conducting the EIA processes meticulously. We continued to work steadfastly to leave a livable and sustainable world for future generations.

We took concrete steps to reduce our environmental impact, increase social benefits and strengthen our governance standards in line with the ESG principles that we placed at the center of our sustainability strategy. Our corporate responsibility vision was carried to the highest level thanks to projects supporting the development and well-being of our employees, integrated structure established with society, and transparent management approach. As a reflection of this approach, we were deemed worthy of the “Great Place to Work” certification in international standards.

We closely monitored our stakeholders' increasing sustainability-related expectations, to which we offered proactive and inclusive solutions. We implemented comprehensive programs in areas such as reducing environmental impact, promoting social responsibility projects and ensuring transparency in corporate governance, thus strengthening the environment of cooperation based on long-term trust.

2024 was not only a year of growth for Gap İnşaat, but also a period when we acted responsibly and brought our innovation and sustainability-focused vision to life. In the coming period, we will continue to move forward with , we will continue to deliver strong, reliable and long-lasting projects with all our stakeholders, by advancing through innovation, digitalization, and environmental and social sustainability.

I would like to take this opportunity to express my sincere gratitude to all our employees, business partners and valued stakeholders who contributed to our growth and development in 2024, and I wish us all a future filled with success.

Levent Kafkaslı
CEO and Board Member

ABOUT GAP İNŞAAT

ÇALIK HOLDİNG IN BRIEF

As a company centered in Türkiye, Çalık Holding aims to gain momentum in sustainable growth in its geographical region, and make its existing portfolio more effective, efficient and profitable. Accordingly, it adopts an approach to create sustainable value, focusing on long-term value creation through strategic investments, and taking economic, social and environmental impacts into consideration.

Acting with the principle of creating permanent value in every region it operates in, Çalık Holding implements pioneering projects for society and the business world with its business processes, services and products developed with its approach to sustainability.

Çalık Holding was established in 1997 with the aim of gathering the companies within the Çalık Group, which started its activities in 1981, under a single management umbrella. Maintaining its consistent growth performance since then, Çalık Holding now operates in more than 30 countries in 5 different sectors, including energy, construction, mining, finance and textiles, with a workforce of over 19,000 employees.

The primary goal and responsibility of Çalık Holding are to ensure that the Group companies grow in strategic harmony, and accordingly, to coordinate the financial and administrative functions of all the companies operating under its umbrella, guide their investments, and establish shared standards in implementation and cost areas across the Group. The components of Çalık Holding’s corporate strategy include operational excellence, high customer satisfaction, globalization, contribution to society, and full compliance with ethical values.

With its reputation, well known reliability and long-term collaborations with international companies through its ongoing activities in various regions of the world, Çalık Holding develops innovative business models and moves forward by achieving sustainable growth in its business areas.

With the value it attaches to human resources and its employee-oriented management approach, Çalık Holding reflects its economic, environmental and social sustainability targets into all its investments, projects and business methods.

Obtaining the majority of its income from international projects and investments, Çalık Holding has equity partnerships with large-scale and well-known public companies such as the Mitsubishi Corporation, SSR Mining, SandStorm Gold Royalties, SECOM and 4iG, and has long-term business and solution partnerships with leading names such as General Electric, Honeywell, Siemens and Hitachi as part of its international operations. The Holding also works in close cooperation with major global financial institutions and export credit institutions such as SERV, NEXI, Commerzbank and UBS. Çalık Holding was the first Turkish company to become a member of the Japanese Business Federation Keidanren.

Çalık Holding became a signatory of the United Nations Global Compact (UN Global Compact) in 2022 and prioritizes diversity, sustainability, and resilience across all sectors and geographies in which it operates. The company acts on the principle of treating all cultures, beliefs, ethnicities, and genders equally and adopts an environmentally respectful business approach.

ABOUT GAP İNŞAAT

Gap İnşaat's journey, which began in Istanbul in 1996, continues today successfully with the services it offers and projects it carries out worldwide. In this journey of operating as a 100% subsidiary of Çalık Holding A.Ş. ("Çalık Holding"), Gap İnşaat carries out its activities by adopting the Holding's perspective and strategies and offers environmentally respectful solutions through turnkey projects both domestically and internationally, and with a professional management team specialized in their fields and experienced employees.

Operating under the motto "Investing in the future by adding value to people and the world", Gap İnşaat conducts projects across three continents to build a sustainable future. The Company has gained recognition for undertaking large projects in challenging geographies without compromising on time and quality and utilizes modern technology at the highest level by embracing the concept of "Engineering of the Future".

As a leading Turkish Engineering, Procurement and Construction (EPC) company in infrastructure, superstructure, health and industrial facility projects, Gap İnşaat maintains its pioneering position in the industry through its projects across different geographies, demonstrating its commitment to environmental sustainability and prioritizing worker health and safety.

With projects executed primarily in Türkiye, Central Asia, Middle East, Africa and Europe, Gap İnşaat has been consistently listed among the world's largest and most prestigious contractors by ENR since 2006. Gap İnşaat continues to be a source of pride for Türkiye in the construction sector by successfully implementing projects both domestically and abroad.

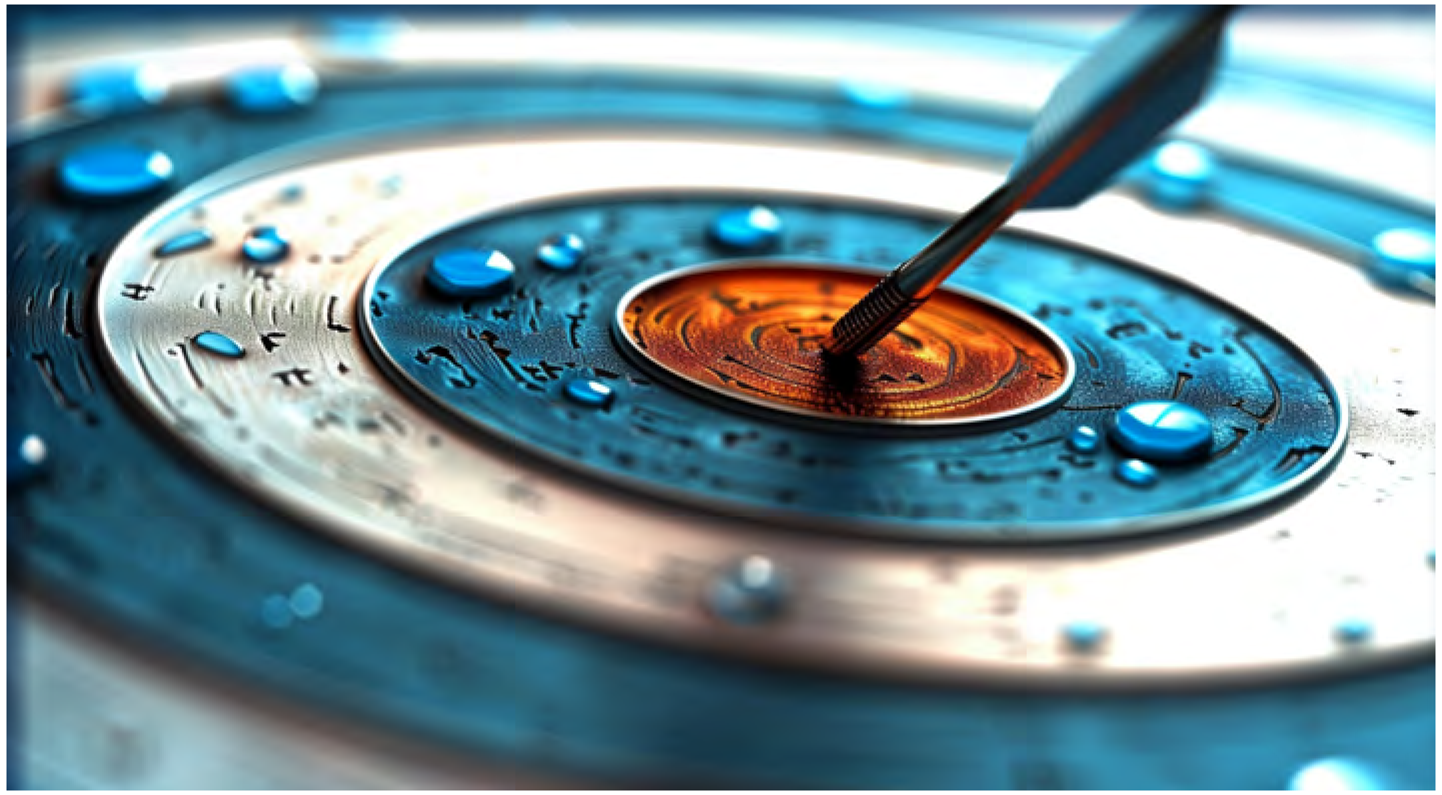
MISSION, VISION AND CORPORATE VALUES

MISSION

As Gap İnşaat, we aim to generate solutions that add value to human life across all the regions where we operate by utilizing our skills and energy. Our goal is to contribute to the enhancement of social welfare through the solutions we provide.

VISION

As a global player, we envision taking steps towards sustainable tomorrows while building today, developing agile and innovative approaches to offer the most effective solutions to our stakeholders. We aim for sustainable successes with every step we take into the future.



CORPORATE VALUES

Our corporate values, which we take great pride in, guide the way we conduct our business.

Fairness: We always prioritize a sense of rights and justice in our work and principles. We act fairly and honestly, respecting the rights of every individual.

People-Oriented: We dedicate our energy to improving human lives. The happiness and development of our employees, customers and all individuals impacted by the value we create are our top priorities.

Reputation: We place our reputation above all else and maintain our reliability by protecting it.

Work from the Heart: Regardless of conditions, we work wholeheartedly for our institution and targets, demonstrating full dedication in our projects that add value to human life.

Innovation: We continuously improve our solutions and business models, discovering and implementing innovations that differentiate us.

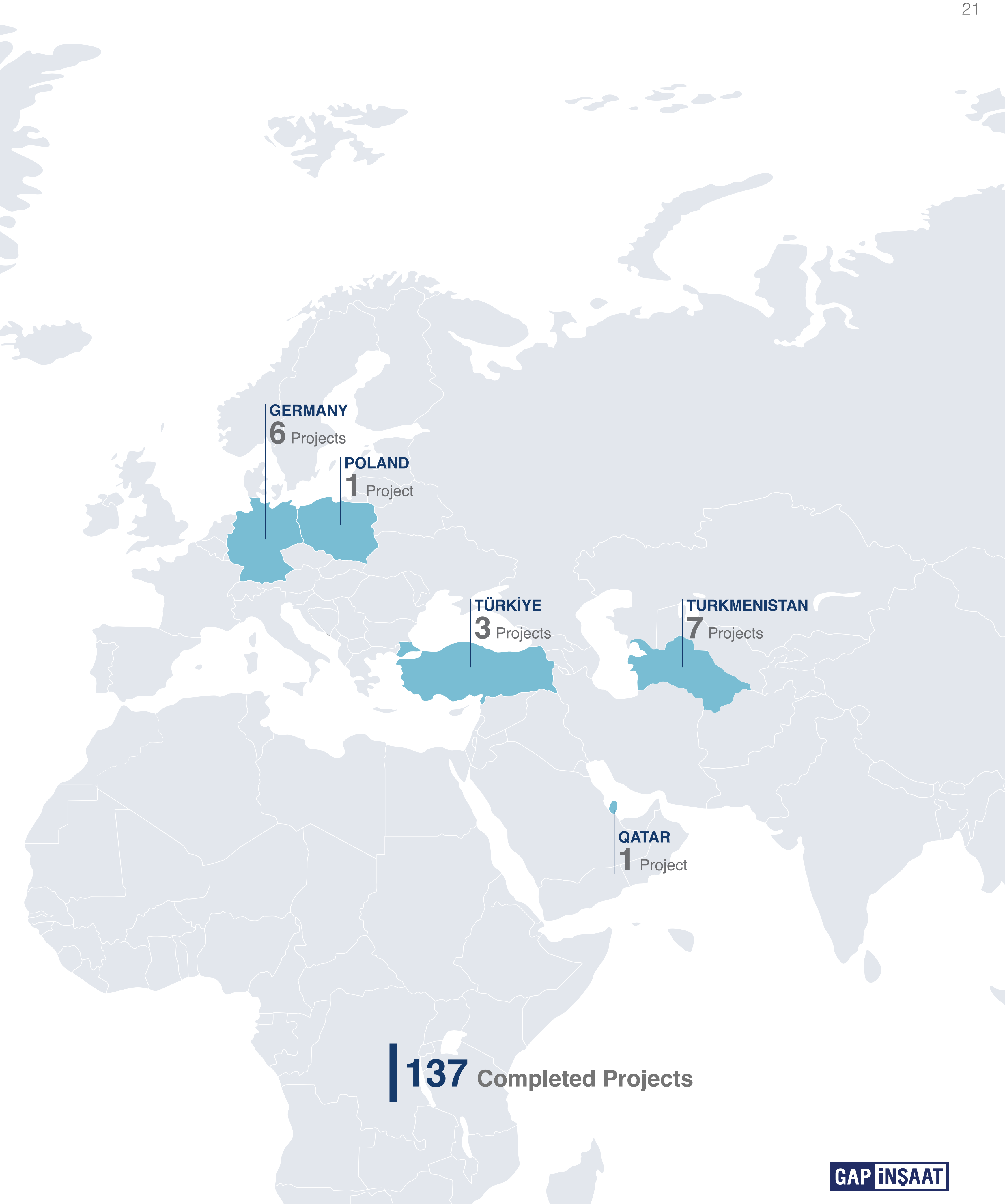
Agility: With our ability to quickly adapt to changing conditions and flexibility, we effectively respond to evolving circumstances.

Sustainability: We prioritize long-term success and responsibility towards our environment by providing sustainable solutions for both the environment and society.

GAP İNŞAAT IN TÜRKİYE AND THE WORLD

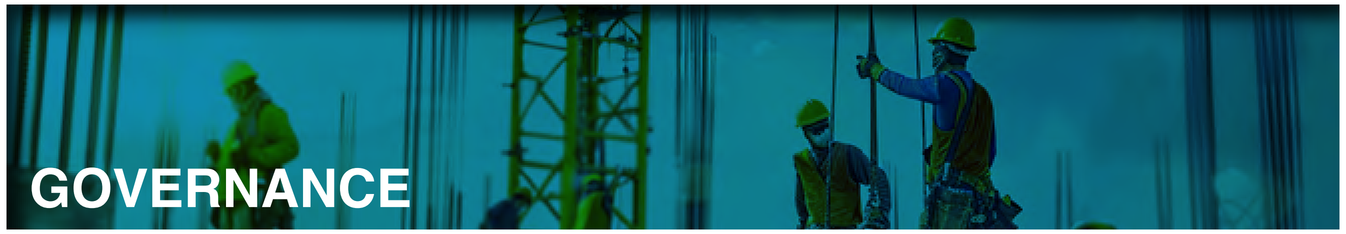
Country	Project Name
Türkiye	Taksim 360 Project
	Gediktepe Sulfite Project
	Tuzla Industrial Facility Project
Germany	Untergruppenbach Fiber Optics Project
	Löwenstein Fiber Optics Project
	Kirchardt Fiber Optics Project
	Beilstein Fiber Optics Project
	Obersulm Fiber Optics Project
	Ellhofen Fiber Optics Project
Qatar	Qatar Military Forces Base Project
Turkmenistan	International Rehabilitation Center
	International Physiology Center
	Ashgabat City Administration Complex
	International Oncology Center
	International Pediatric Centre
	Stomatology Centre
	Ahalteke Equestrian Complex
Poland	Poland Highway Project Lot 4 Izbica Zamosc Sitaniec

Completed | Ongoing | Recently Started



GAP İNŞAAT

HIGHLIGHTS OF 2024



GOVERNANCE

TRY **38.3** billion asset size

TRY **381** million net profit

TRY **14** billion turnover

TRY **11.7** billion total equity

TRY **41.7** million donations to charitable organizations

28 years of sectoral expertise

ENVIRONMENT

26% reduction in Scope 2 emissions

15% reduction in Scope 3 emissions

43% waste reduction

SOCIAL

1,038 suppliers in total

68% local supplier ratio

2,293 employees

17% percentage of female employees in STEM positions

8,515 hours of training

100% customer satisfaction

146 projects in total

Over TRY **8** billion of investments

1,111 site audits

“Great Place to Work” certification

ACCESS TO FINANCIAL RESOURCES

The impacts of post-pandemic recoveries continued in 2024, amid ongoing uncertainties in the global economy. Geopolitical issues -especially the Russia-Ukraine war and instabilities in the Middle East- and high interest policies increased economic fragility. Finance and Prosperity 2024 Report[1] by the World Bank reveals that developing countries require approximately USD 4 trillion of additional investment every year. Global inflation is felt more acutely in these economies, increasing financing needs while also leading to a rise in debt burdens.

Being aware of the impact of the evolving global macroeconomic agenda on our Company, we continue to prioritize the effective use of financial resources and support them with the sustainable projects we have implemented and will implement.

In 2024, we continued to support our company's growth targets and invest in various domestic and international projects.

As Gap İnşaat, we recorded a consolidated revenue of TRY 14 billion for the 12-month period of 2024. According to our financial report, our 12-month consolidated net profit for 2024 was TRY 381 million. Our gross profit reached TRY 1.1 billion with a profit margin of 8.2%.

We also delivered a remarkable performance by increasing our net sales by 124%, from TRY 6.24 billion in the previous year to TRY 14 billion in this period. We increased our asset size by 40%, from TRY 27.3 billion to TRY 38.3 billion. This performance indicates our commitment to our sustainable growth targets and our strategic decisions.

Economic Indicators	Unit	2022	2023	2024
Income	TRY	3.2 billion	6.2 billion	14 billion
Total Assets	TRY	17.6 billion	27.3 billion	38.3 billion
Total Equity	TRY	6.3 billion	10.4 billion	11.7 billion
Total amount of donations to charitable organizations	TRY	218 thousand	1.7 million	41.7 million

1. https://openknowledge.worldbank.org/server/api/core/bitstreams/06f02e01-b4d1-4bb5-8a6c-0199d51cf84c/content

GLOBAL AND SECTORAL OVERVIEW FOR 2024

Global Outlook

Adaptation to Climate Change

We face climate change as a global challenge that profoundly affects many areas of our lives, accompanied by increasing environmental, economic and social risks. The Paris Climate Agreement aims to reduce greenhouse gas emissions, while the probability of global temperature increase exceeding 1.5°C by 2030 is around 50% according to IPCC[2] data. This situation leads to an increase in environmental risks such as floods, forest fires and extreme heat waves.

The International Energy Agency (IEA)'s World Energy Outlook 2024 report[3] emphasizes that the target of limiting global warming to 1.5°C is becoming increasingly difficult. Investments in clean energy grow at twice the rate of fossil fuels, while increased capital flow is required in achieving climate goals in critical areas such as energy efficiency and electrification. However, the report highlights that clean energy investments fail to progress at the expected pace in some countries due to financing gaps, technological shortcomings and insufficient policy support. These data further underline the need for urgent and decisive action such as accelerating investment in renewable energy sources, developing carbon-neutral technologies and adopting sustainable development strategies. Moreover, ensuring global cooperation and coordination in the combat against climate change has become an essential priority for both policymakers and private sector.

How Do We Respond?	Explanations on our works within this scope can be found in the **"Environmental Footprint"** and **"Climate Change"** sections of the report.
Risk Assessment	According to the World Economic Forum's Global Risk Report 2024, **extreme weather events** rank second among the top global risks over the next two years, and rise to the first rank over the next decade.
Relevant Material Topics	Environmental Footprint, Climate Change
Relevant Capital Item	Natural Capital, Manufactured Capital

Technology

Automation systems used in different sectors reduce employees' workload and enable them to focus on more strategic tasks. Digitalization and AI integration also make data analysis and management more effective. Increasing amounts of data creates an important resource for the development of existing technologies and the emergence of new solutions. These developments lay the groundwork for companies to create new opportunities while improving their existing business models. Digitalization provides significant advantages to businesses, as well as bringing various risks. Digital transformation process also raises the need for compliance with legal regulations about ethical issues and data privacy. Misinformation poses a significant risk to the credibility of both businesses and society, while automation and artificial intelligence applications can lead to workforce losses. Organizations are obliged take these risks into account when developing their digitalization strategies, depending on technological developments. Digitalization and AI have become indispensable for businesses' success in the future.

How Do We Respond?	Explanations on our works within this scope can be found in the **"Information Security"** section of the report.
Risk Assessment	According to the 2024 edition of the World Economic Forum's annual Global Risk Report, **misinformation and disinformation** and **cyber security issues**, which are among the top global risks over the next two years, rank first and fourth respectively. In a ten-year perspective, these risks appear in fifth and eighth place.
Relevant Material Topics	Operational Risk Management
Relevant Capital Item	Intellectual Capital

2. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf
3. https://iea.blob.core.windows.net/assets/60fcd1dd-d112-469b-87de-20d39227df3d/WorldEnergyInvestment2024.pdf

Macroeconomic Agenda

The effects of post-pandemic recovery have not yet been fully balanced. Geopolitical tensions -especially the Russia-Ukraine war and changes in the Middle East-, fluctuations in energy prices and high-interest rate policies continued to increase economic fragility in both developed and developing countries. According to the International Monetary Fund (IMF) 2024 World Economic Outlook Report[4], while the global growth rate stood at 3.2%, growth in developed economies fell to 1.7%. It occurred at 4.2% in emerging markets and developing economies. Global inflation remained above the target level of many central banks, despite decreasing from 6.8% in 2023 to 5.9% in 2024. The slowdown in the Chinese economy shows one of the lowest performances in the last decade with a growth rate of 4.6%, and causes a contraction in global supply chains, directly affecting the planning of companies operating in sectors such as manufacturing, technology and retail[5]. Global trade volume remains limited with an increase of 2.3% in 2024, challenges in trade such as regional supply chain and geopolitical risks come to the forefront, and approaches such as sourcing from friendly countries ("friendshoring") lead companies to restructure their value chains[6]. In the light of these developments, it is critically important for companies to expand their sustainability strategies to include macroeconomic vulnerabilities, both for operational risk management and long-term value creation.

How Do We Respond?	Explanations on our works within this scope can be found in the **"Access to Financial Resources"** section of the report.
Risk Assessment	According to the 2024 edition of the World Economic Forum's annual Global Risk Report, **inflation** and **economic recession**, which are among the top global risks over the next two years, rank seventh and ninth respectively.
Relevant Material Topics	Access to Financial Resources
Relevant Capital Item	Financial Capital

Impacts on Supply Chain

The perception of risk between societies and countries has been increasing due to the deepening of political divisions around the world, the rise of protectionist measures and declining trust. Increasing geopolitical instability on a global scale continues to affect companies and governments in terms of supply chain and energy security strategies. Due to the risks posed by geopolitical uncertainties, companies are required to closely monitor their analysis, assessment and risk mitigation strategies in their operations[7]. In an interconnected and changing world, the impact of companies' supply chains on global trade has been increasing, while supplier relations and flexible approaches such as alternative resources of supply come to the forefront.

Ongoing crises and difficulties in food and energy supply as a result highlight the critical importance of strengthening international cooperation once again. The sustainability of supply chains brings along challenges and opportunities for companies.

How Do We Respond?	Explanations on our works within this scope can be found in the **"Supplier and Logistics Management"** section of the report.
Risk Assessment	According to the World Economic Forum's Global Risk Report 2024, **societal polarization** features among the top global risks over the next two years, and ranks ninth over the next decade.
Relevant Material Topics	Supplier and Logistics Management
Relevant Capital Item	Financial Capital

4. https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024
5. https://www.oecd.org/en/topics/economic-outlook.html
6. https://www.wto.org/english/res_e/booksp_e/trade_outlook24_e.pdf
7. https://www.spglobal.com/ratings/en/research-insights/special-reports/key-themes-2024

Sectoral Outlook

Smart Cities

Offering energy efficiency-focused solutions that optimize the utilization of resources through digital technologies and data analytics, smart cities are defined as sustainable and livable urban areas that aim to improve the quality of urban life[8]. In 2024, smart cities are at the center of sustainable urban transformation, of which the construction sector continues to be one of the major players. In line with the decisions taken at COP28, it is planned to encourage rapid electrification in transportation, heating and industry by doubling energy efficiency by 2030. These developments play an important role for smart cities in achieving their carbon neutral targets. The construction sector constitutes the basic infrastructure of smart cities through projects supported with the use of sustainable materials and green building certifications (LEED, BREEAM, etc.) that increase energy efficiency in this transformation.

It is stated in OECD's Economic Outlook Report 2024[9] that increasing green and digital infrastructure investments, strengthening emission reduction standards and raising the scope and level of carbon pricing are essential for the achievement of climate targets. This indicates that the construction sector should be supported not only with sustainable materials and energy-efficient designs but also with policies and financing mechanisms.

Impacted Sector	Construction
How Do We Respond?	Explanations on our works within this scope can be found in the **"Sustainable Project Approach"** section of the report.
Relevant Capital Item	Manufactured Capital, Natural Capital

Bio-based and Biotechnologically Supported Building Materials

Renewable and low-carbon materials such as wood derivatives, bio-composites, bio-concrete, mushroom mycelium and panels produced from agricultural waste contribute significantly to the reduction of carbon emissions while maintaining fundamental construction requirements such as structural strength, insulation and aesthetics. Moreover, biotechnologically supported materials extend structural life with their microorganism-based self-repair capabilities, and increase resource efficiency by reducing maintenance and renewal needs[10]. International regulatory framework such as the European Green Deal and the Paris Climate Agreement encourage the use of low embodied carbon materials through sustainable building certification systems (LEED, BREEAM, etc.), and constitute the basis of a rapid and comprehensive transformation process in the sector. In addition to enhancing environmental performance, these policies promote sustainability as an economic and social value for investors and consumers.

As pioneers of a radical paradigm shift in the construction sector, bio-based and biotechnologically supported building materials have become fundamental elements of sustainability. This transformation facilitates the achievement of carbon neutrality targets as well as offering environmental, economic and social benefits throughout the life cycle of buildings. Innovations developed through collaborations among industry stakeholders play a critical role in enabling more environmentally friendly, resilient and economically viable structures of the future.

Impacted Sector	Construction
How Do We Respond?	Explanations on our works within this scope can be found in the **"Environmental Footprint"** and **"Climate Change"** sections of the report.
Relevant Capital Item	Manufactured Capital, Natural Capital

8. https://unhabitat.org/sites/default/files/2024/11/wcr2024_-_full_report.pdf
9. https://www.oecd.org/en/publications/oecd-economic-outlook/volume-2024/issue-1_69a0c310-en.html
10. https://www.weforum.org/stories/2024/06/building-sector-climate-change-construction-materials/

Building Information Modeling (BIM)

The adoption of BIM (Building Information Modeling) technology has become indispensable for the construction sector due to increasing legal regulations, growing implementation of smart city projects and development of modular construction.

BIM technology ensures that workflows are monitored transparently and systematically throughout the entire project lifecycle, material usage is optimized to prevent natural resource waste, and land use is planned in the most efficient manner. Elements such as workforce management and energy consumption play an active role in the reduction of carbon footprint with BIM optimization. Reduction of carbon emissions strengthens the construction sector's contribution to sustainability in line with global climate targets. Covering not only design and construction processes but also maintenance and operation phases, this topic has become a fundamental tool in ensuring sustainability throughout the economic life of buildings. BIM technology contributes to the sustainability goals of the construction sector, and prepares it for the future by supporting the development of smart cities.

Impacted Sector	Construction
How Do We Respond?	Explanations on our works within this scope can be found in the **"Environmental Footprint"** and **"Climate Change"** sections of the report.
Relevant Capital Item	Manufactured Capital, Natural Capital

CORPORATE GOVERNANCE

QUALITY AND CORPORATE TRUST

As Gap İnşaat, our strong corporate governance approach based on transparency, accountability, fair management and ethical principles lies at the foundation of our successful domestic and international projects. Drawing strength from Çalık Holding's visionary approach, we act in full compliance with group strategies and embrace our governance principles not only as principles, but also as integral pillars of our corporate culture.

Our corporate governance approach is shaped with the target of fully complying with the laws and regulations in force. Within this scope, we clearly define duties, authorities and responsibilities, and increase efficiency in decision-making processes. We ensure the sustainability of our corporate transparency through internal and external audit mechanisms. Accordingly, we nurture our stakeholder relationships with regular feedback and continuously develop our strategic governance culture.

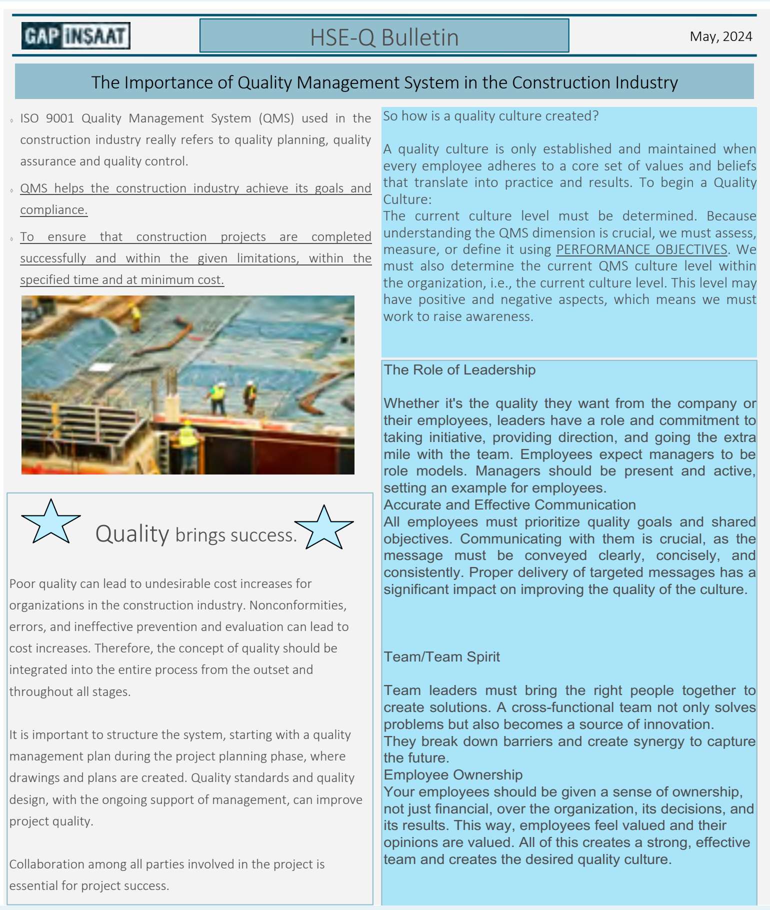
Corporate trust is a top priority for us, as well as one of the cornerstones of our governance system. Our ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System and ISO 27001 Information Security Management System certifications are far more than documents; they are the binding references that define our business manners. These systems ensure that we conduct our activities in accordance with the highest quality standards, meticulously examine and constantly question every engineering detail in our completed and ongoing projects, and develop innovative engineering solutions.

Thanks to our plans for continuously reviewing, improving and developing innovative engineering solutions with the support of procedures and specifications, we both optimize business processes and increase our competitive power. As part of our “zero accident” policy, we prioritize workplace safety by providing safe working environments to our employees and raising their awareness through periodic training. Instead of limiting this approach to our Company, we continuously monitor the performance of our subcontractors and suppliers in terms of quality, environmental and occupational safety standards.

Our quality culture is reflected in all our domestic and international locations through our Quality, HSE and Sustainability Policies, which we update with annual Management Review Meetings. We control our processes with internal and external audits to ensure the sustainability of Quality, Occupational Safety and Environmental Management Processes. In consequence of these audits, we evaluate the data obtained from findings through a systematic approach of corrective and preventive actions in order to continuously improve our business manners.

2024 HSE-Q Bulletins: Quality

In 2024, quality bulletins were published on the topics such as importance of quality management practices in construction projects, activation of corporate memory and information-document management processes for the sustainability of internal knowledge accumulation, and more planned and effective execution of meetings in terms of business process efficiency.


GAP İNŞAAT HSE-Q Bulletin May, 2024

The Importance of Quality Management System in the Construction Industry

- ISO 9001 Quality Management System (QMS) used in the construction industry really refers to quality planning, quality assurance and quality control.
- QMS helps the construction industry achieve its goals and compliance.
- To ensure that construction projects are completed successfully and within the given limitations, within the specified time and at minimum cost.

Quality brings success.

Poor quality can lead to undesirable cost increases for organizations in the construction industry. Nonconformities, errors, and ineffective prevention and evaluation can lead to cost increases. Therefore, the concept of quality should be integrated into the entire process from the outset and throughout all stages.

It is important to structure the system, starting with a quality management plan during the project planning phase, where drawings and plans are created. Quality standards and quality design, with the ongoing support of management, can improve project quality.

Collaboration among all parties involved in the project is essential for project success.

So how is a quality culture created?

A quality culture is only established and maintained when every employee adheres to a core set of values and beliefs that translate into practice and results. To begin a Quality Culture:
The current culture level must be determined. Because understanding the QMS dimension is crucial, we must assess, measure, or define it using PERFORMANCE OBJECTIVES. We must also determine the current QMS culture level within the organization, i.e., the current culture level. This level may have positive and negative aspects, which means we must work to raise awareness.

The Role of Leadership

Whether it's the quality they want from the company or their employees, leaders have a role and commitment to taking initiative, providing direction, and going the extra mile with the team. Employees expect managers to be role models. Managers should be present and active, setting an example for employees.
Accurate and Effective Communication
All employees must prioritize quality goals and shared objectives. Communicating with them is crucial, as the message must be conveyed clearly, concisely, and consistently. Proper delivery of targeted messages has a significant impact on improving the quality of the culture.

Team/Team Spirit

Team leaders must bring the right people together to create solutions. A cross-functional team not only solves problems but also becomes a source of innovation.
They break down barriers and create synergy to capture the future.
Employee Ownership
Your employees should be given a sense of ownership, not just financial, over the organization, its decisions, and its results. This way, employees feel valued and their opinions are valued. All of this creates a strong, effective team and creates the desired quality culture.

We address corporate governance and quality systems together in line with our future-oriented strategies, and build a sustainable structure that meets not only today's but also tomorrow's needs. Therefore, we continue to deepen our relationship of trust with our stakeholders, and to grow by building our corporate culture on solid foundations.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Our Board of Directors consists of members recognized for their extensive experience and expertise in the sector. Each member makes strategic contributions to Gap İnşaat with their professional knowledge, accumulated expertise, and past achievements. Our Board of Directors adheres to the principles of transparency, accountability, fairness and responsibility in line with our corporate governance approach based on ethical values, and plays a key role in determining the Company's strategic direction and auditing the practices. This strong governance structure allows our Company to achieve its sustainable growth targets. Corporate commitment and effectiveness were maintained at the highest level with 100% participation to 5 General Assembly meetings and 29 Board meetings during 2024 reporting period.

A Board Competency Matrix has been created as of 2024 in order to transparently present the distribution of expertise areas within our Board of Directors. This matrix shows whether members have experience in areas of strategic importance such as risk management, production, financial and non-financial sectors, R&D and P&D, auditing, and environmental, social and corporate governance (ESG). Therefore, the collective competency of the Board of Directors has been diversified and balanced to contribute to the Company's long-term targets. This approach shows that the Board of Directors grounds its strategic decision-making processes in inclusivity and expertise-based management.

According to the evaluations as of 2024, 50% of the Board Members have experience in production and non-financial sectors while 33% are experienced in risk management. On the other hand, the ratio of members with experience in financial sectors, R&D and P&D, auditing, and environmental, social and corporate governance is 17%. This distribution shows that the Board of Directors has a strong representation structure in core operational areas, and that the competency structure could be strengthened with greater representation, especially in areas focusing on sustainability, audits and technology.

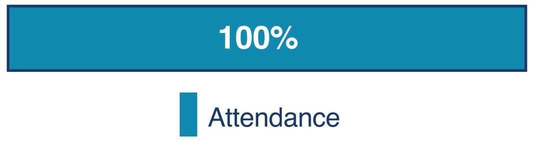
Ahmet Çalık

Chairman

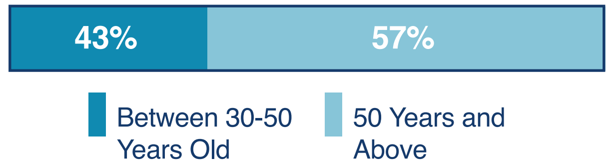
Ahmet Çalık serves as the Chairman of the Board at Gap İnşaat.

He has been awarded honorary doctorates from Matsumoto University and Kindai University in Japan, Tirana University in Albania and Turgut Özal University in Malatya. He continues to act as the Chairman of the Board at Çalık Holding, its group companies and the Ahmet Çalık Foundation.

Annual Meeting Attendance



Age Distribution of the Board of Directors



Mert Turgut Çalık

Vice Chairman of the Board

Mert Turgut Çalık is the Vice Chairman of the Board at Gap İnşaat.

He started his education in the field of fundamental business at Bellerbys College in London, and graduated from the University of Westminster with a degree in Marketing Management. He serves as a Board Member at BKT Albania and BKT Kosovo, the Chairman of the Board at Gap CLK Worldwide.

Mustafa Fatih Genç

Board Member

Mustafa Fatih Genç serves as a Board Member at Gap İnşaat.

He graduated from the Department of Civil Engineering at Middle East Technical University. He also serves as a Board Member at Çalık Enerji.

Levent Kafkaslı

Board Member and CEO

Levent Kafkaslı serves as the CEO and Board Member at Gap İnşaat.

He graduated from the Department of Civil Engineering at Istanbul Technical University and earned his Master's degree in Building Management from Istanbul University.

Orhan Gündüz

Board Member

Orhan Gündüz serves as a Board Member at Gap İnşaat.

He earned two separate undergraduate degrees with honors in International Relations and Business Administration at Bilkent University, and completed his MBA in the fields of Finance, Strategy and General Management at Northwestern University's Kellogg School of Management. He also serves as a senior executive responsible for real estate investments within the companies of Çalık Holding.

COMMITTEES AND POLICIES

As Gap İnşaat, we draw strength from committees in structuring our processes to establish a transparent framework in line with corporate governance principles. Each committee contributes to ensuring that our Company is managed more effectively, ethically and sustainably by focusing on specific areas of expertise. Through this structure, we enhance organizational efficiency and conduct our corporate decision-making processes on a stronger foundation.

Our committees operate under the Board of Directors and are designed to strengthen coordination between departments and to support process management, thus making the distribution of responsibilities clearer and improving the quality of governance. Each committee enhances the effectiveness of our Board of Directors by specializing in their respective focal areas, ensuring that transparency and accountability are integral parts of our daily operations.

POLICIES

In all processes from daily operations to strategic decisions, we comply with our established core policies, which define our business manners and guide all employees in a common direction:

- **Human Resources Policy**
- **Compensation Policy**
- **HSE and Sustainability Policy**
- **Quality Policy**
- **Ethical Principles and Compliance Policy**

These policies reflect our identity and how we work. They both regulate our internal functioning and contribute to the establishment of a trust environment in our relations with all stakeholders.

COMMITTEES

Audit Committee: We work with the target of ensuring the reliability of financial reporting and internal control systems. Risk management processes are coordinated with a comprehensive and integrated structure within Çalık Holding. Thanks to this centralized management model, risks are handled with a proactive and holistic approach, thus allowing Gap İnşaat to achieve sustainable growth and maintain a strong standing against risks.

Disciplinary Committee: We build a fair working environment based on ethical values. We strengthen trust among our employees and build the pillars of our corporate culture. Thanks to this committee, we maintain internal harmony and move internal interactions to a healthier ground.

Occupational Health and Safety Committee: We handle the safety of our employees as a top priority. We take proactive measures to create a healthy and safe environment in the field and in the office. We continuously improve our processes to prevent work accidents and increase efficiency.

Human Resources Committee: We focus on the development of our employees in order to prepare competency-based, inclusive and motivational human resources policies. Therefore, we support not only individual development but also operational sustainability.

Procurement Committee: We manage procurement processes transparently, efficiently and strategically. We utilize our resources in the most correct way by taking cost effectiveness and quality into consideration, thus increasing operational performance and strengthening financial stability.

Each committee contributes to the achievement of our Company's long-term vision without being limited to their job descriptions. Thanks to these structures, we make stronger decisions and move forward with more determined steps towards our sustainability goals. We regard our committees not only as internal control mechanisms, but also as dynamic teams that embody and bring our corporate values to life.

RISK MANAGEMENT

Risk management is one of the pillars of strategic decision-making process in Çalık Holding subsidiaries, including Gap İnşaat, which operate in various geographies and sectors. We prioritize effective and systematic management of risks to maintain our competitive advantage and ensure sustainable success.

In this context, risks are evaluated with a holistic understanding of the Company's structure, and mitigation actions that support long-term sustainability are planned accordingly. All risk management efforts at Çalık Holding are meticulously carried out by the senior management team of each company under the direct supervision and guidance of the Board of Directors. We embrace the principle that risks are the shared responsibility of the executive management and all employees, rather than specific units, and therefore place great importance on raising corporate awareness.

With this approach, we aim to ensure that risk management not only controls potential threats but also gains a strategic advantage by identifying opportunities. Our Corporate Risk Management practices play an important role in several processes from establishing the Company's strategy to setting business objectives and determining the sectoral and geographical areas for investment. No critical decisions are made without first conducting a comprehensive risk assessment.

The risks handled by Çalık Holding are classified under the following main categories:

- **Financial Risks:** These include elements such as asset-liability imbalances, currency risk, creditworthiness and capital/debt relationships that may affect the Company's financial structure.
- **Operational Risks:** These include risks that may negatively impact the effectiveness, efficiency, profitability, reputation and continuity of operations.
- **Strategic Risks:** These are threats arising from the country, geography and competitive environment of operation, which may affect our sustainable growth and presence.
- **Emergency and Disaster Risks:** These include threats to business continuity due to natural disasters such as fire, earthquake, flood, etc. and to climate change.

These risk categories are evaluated from the perspective of portfolio management at Çalık Holding level. As Gap İnşaat, we fulfill our responsibility in line with the Holding's approach and focus on timely identification and efficient management of possible risks.

We monitor our financial, operational, strategic, compliance, reputation and reporting risks with the guidance of the Group's Risk Committee and shape the management processes with our internal procedures. In this way, we maintain our business continuity as well as our mission to create value for our stakeholders.

With the strong risk management culture we have adopted at Gap İnşaat, we not only mitigate risks but also capture opportunities by making agile decisions in dynamic market conditions. Through this approach, we continue to take resilient and secure steps toward the future.

Operational Risk Management

Operational risk management has become a strategical priority due to the complex dynamics and multi-stakeholder structure specific to the construction sector. With this awareness, Gap İnşaat has established a strong and comprehensive operational risk management system designed to systematically address risks that may arise in all operational processes from daily activities to turnkey projects.

Our risk management framework prioritizes the identification of potential risks and their alignment with both strategic and operational targets. We aim to minimize errors while upholding our quality standards and delivering projects in a timely and sustainable manner.

Our five-stage operational risk management process consists of the following steps:

1 Comprehensive Risk Identification

Construction projects inherently carry a broad spectrum of risks. Accordingly, we define and analyze project-specific risks including factors such as human error, process failures, supply issues and external factors. We identify all elements that may threaten business objectives in advance by creating project-specific "Risk Lists" with our systematic approach.

2 In-Depth Risk Analysis

We analyze identified risks using risk assessment matrices in terms of both probability and impact levels. We examine the impacts of risks in detail from financial, reputation, strategic and operational perspectives, considering the complexity of projects. These analyses play an important role in completing projects in accordance with time and budget targets.

3 Strategic Risk Responses

We evaluate the cost-effectiveness of potential mitigation measures and align them with our Company's risk appetite. Following these evaluations, we determine the method for responding to risks. For specific risk groups, we aim to keep the probability and impact of risks at a minimum level. We develop strategies to minimize risks and manage opportunities efficiently within the scope of our corporate SWOT analysis. We also develop proactive approaches with process improvement methods, training programs and internal control mechanisms. We organize continuous trainings to raise our employees' risk awareness and encourage everyone to take active roles in identifying and reporting risks. At the stage of corporate risk analysis, we shape our operational plans by considering opportunities that can be considered as positive risks and threats that are defined as negative risks. We create our roadmap by following these steps and determining which opportunities to take advantage of and which threats to avoid. This approach allows us to minimize potential risks while maximizing the benefits of current opportunities.

4 Continuous Monitoring and Review

We regularly monitor the effectiveness of the implemented risk management measures. We track the progress of projects with performance indicators and continuously review risk management practices through internal audit processes. In line with the findings obtained, we update our risk management strategies to ensure continuous improvement.

5 Outcomes and Benefits

Our operational risk management practices safeguard business continuity, prevent financial losses, ensure project quality, promote sound environmental management, protect employee health, and reinforce stakeholder trust. Thanks to our transparent, planned and disciplined approach, we strengthen our position in the system by offering a reliable management structure even in complex projects.

Our operational risk management approach extends beyond controlling existing risks. It stands out as a strategic driver in achieving the Company's sustainability targets, enabling us to remain both resilient in the face of challenges and agile in seizing opportunities.

Compliance with International and Local Ethical Values

We comply with Çalık Holding's fundamental values —fairness, people-orientation, reputation, working from the heart, innovation, agility and sustainability— in all our activities, and put these values into practice in alignment with the vision and mission of the Holding. We operate in compliance with the current legal regulations of all countries where we conduct business, especially the legislation of Republic of Türkiye.

The ethical rules we implement at Gap İnşaat are organized in accordance with the Business Ethics Rules and Compliance Regulation published by Çalık Holding, as well as the following policies that are annexed to this internal regulation.

- Donation and Social Sponsorship Policy
- Anti-Bribery and Corruption Policy
- Economic Sanctions and Export Controls Policy
- Gifts and Hospitality Policy
- Supply Chain Compliance Policy
- Human Rights Policy
- Competition Law Compliance Policy
- Corporate Sustainability Policy
- Personal Data Protection and Processing Policy
- Social Investment Policy

The ethical rules and compliance topics implemented by Gap İnşaat are as follows:

- Legal Compliance
- Respect for Human Rights
- Responsibilities to Shareholders
- Responsibilities to Customers
- Responsibilities to Suppliers and Business Partners
- Compliance with Competition Regulations
- Social Responsibility, Donations and Sponsorships
- Media Relations and External Communication
- Use of Social Media Accounts
- Political Activities and Relations with Non-Governmental Organizations
- Healthy and Safe Work Environment and Environmental Protection
- Protection of Personal Data, Confidentiality and Trade Secrets
- Management of Conflicts of Interest
- Use of Assets
- Anti-Bribery and Anti-Corruption
- Prevention of Money Laundering
- Gift Acceptance and Hospitality
- Compliance with Economic Sanctions and Export Controls
- Compliance with the Code of Ethics

Within the framework of these principles, we expect all our employees to:

- Act in accordance with relevant laws and regulations under all circumstances,
- Be aware of, understand, internalize and act in accordance with the Code of Ethics of Çalık Holding and all rules, principles and values established by our company in this context,
- Learn the relevant policies and procedures that are applied across Çalık Holding and accepted by our company and consult their managers, the company compliance officer or the Çalık Holding Compliance Manager regarding potential violations related to themselves or others,
- Make necessary notifications, including any available information and documents, if they learn or suspect that the Code of Ethics or the laws and regulations applicable to our company have been violated,
- Incorporate ethical decision-making methods into all business processes to resolve issues, cooperate with compliance officers, the Çalık Holding Compliance Manager and the Ethics Committee during investigations, and keep all information related to investigations confidential.

In the event of ethical rule violations occurring within Çalık Holding or notifications regarding such violations, these issues are examined and evaluated by the Ethics Committee, which operates under the Chairman of the Board of Directors of Çalık Holding.

The Ethics Committee is established for the following purposes:

- To resolve conflicts of interest arising under ethical rules,
- To evaluate notifications regarding violations of ethical rules that are communicated to the Committee,
- To provide recommendations on the paths, methods and practices to be followed in cases of ethical rule violations within the managements of group companies.

Employees and other stakeholders can report unethical behavior through the Çalık Group Ethics Line via secure reporting channels (phone, e-mail or website), where their names are kept confidential. The reporting channels for the Ethics Line are available on the website and on company bulletin boards. Furthermore, all employees can confidentially report violations to their respective managers, the Company Compliance Officer, the Çalık Holding Compliance Manager or any member of the Ethics Committee. No adverse actions (retaliation) shall be permitted against those who report a behavior that violates ethical rules in good faith and honesty, those who participate in investigations or those who assist in investigations.

By diligently adhering to international and local ethical values, we aim not only to ensure compliance but also to create a lasting positive impact in both the business world and society.

Compliance with Legislation

The construction sector in which we operate is subject to comprehensive and multi-layered legal regulations. In this context, one of our corporate priorities is full compliance with legislation, which means not only fulfilment of obligations for us, but also a strategic responsibility as part of an ethical and sustainable approach to business.

Our legal department meticulously analyzes all applicable regulations in each country of operation (laws, regulations, communiqués and other regulatory frameworks) at the start of every project, monitors updates in practices, informs teams about potential impacts of regulatory changes on operational processes, and ensures that necessary actions are taken. In this way, we both fulfill our legal obligations and make more conscious and controlled decisions in project management by anticipating legal risks.

Our commitment to national legislation is reinforced by international standards and sectoral best practices. Acting in compliance with global regulations not only enhances our Company's reputation and our stakeholders' trust but also ensures that our projects meet the internationally accepted quality and sustainability standards.

This holistic approach to legal compliance deepens our relations with customers as well as preparing solid ground for long-term cooperation. We realize our project not only on time and within budget, but also with a sustainable approach and in full compliance with regulations and the law.

Internal Control and Internal Audit

Effective risk management, robust internal control systems and independent internal audit mechanisms are among the pillars of our corporate sustainability as a company conducting international operations. We focus on internal control and internal audit practices with a holistic approach to ensure that business processes are conducted transparently, reliably and in compliance with the legislation.

Internal audit activities in Group companies including Gap İnşaat are carried out under the responsibility of the Audit Group Presidency of Çalık Holding. The Audit Group within the Holding conducts audits in financial, operational, information systems and technical areas, and also provides consultancy services on required topics.

Audit activities are carried out according to the annual audit plan prepared with the approval of the Chairman of the Board of Directors and the Audit Committee every year. This plan is shaped in line with international internal audit standards and a risk-based approach for timely identification and effective management of strategic, operational and financial risks that may be encountered by the Company.

The internal audit process is structured by strictly adhering to the principle of independence. The Audit Group directly reports to the Chairman of the Board of Directors and the Audit Committee, assuring the objectivity and effectiveness of audit processes.

The internal control systems are implemented to cover Çalık Holding and its subsidiaries, and evaluated in compliance with internationally recognized COSO standards. This system aims for the effectiveness and efficiency of organizational processes, reliability of financial reporting, and compliance with legal regulations. Internal controls are regularly reviewed through audits, areas for improvement are identified, and steps are taken to address these areas. Moreover, potential threats are identified with regular risk assessment studies, and comprehensive management plans are developed against these risks.

Placing importance on internal control and internal audit systems, we establish a structure that not only keeps the current situation under control, but also ensures continuous development in terms of corporate transformation and compliance with international standards. In this way, we both support our Company's sustainable growth and strengthen a business culture based on trust among all stakeholders.

OPERATIONAL MANAGEMENT

We have been operating since 1996 with our vision of "taking steps towards sustainable tomorrows while building today as a global player and developing agile and innovative approaches to offer the most effective solutions to our stakeholders". With our projects across three continents, we both contribute to regional development and work towards a sustainable future. We design our operational management processes in integration with our sustainability strategy, and consider environmental, social and governance impacts in every step we take. With our business manners based on quality, precision and professionalism, we provide high-standard services in every field from infrastructure to superstructure, and from industrial facilities to healthcare buildings.

In our infrastructure projects, we build not only functional but also aesthetic roads, facilities and basic service systems. We pay attention to details and utilize the most advanced engineering solutions of our time in the construction of these elements that are the lifelines of cities. As we build the future's cities today, we develop long-lasting, safe and sustainable infrastructure solutions.

In our superstructure projects, we construct buildings designed with modern architecture, enhancing the quality of life and harmonizing with the urban fabric. We combine functionality and aesthetics in line with our sustainability principles and integrate buildings into urban life with our environmentally conscious practices.

In the industrial area, we offer integrated solutions for a globalizing world and contribute to economic and environmental sustainability by developing a wide range of projects from energy efficiency to water treatment systems.

We center our healthcare projects around human life and contribute to public health with facilities that comply with World Health Organization standards.

We implement an operational model in integration with our sustainability strategy, taking environmental, social and governance (ESG) impacts into consideration at every stage of our activities. We systematically implement environmentally friendly practices in all working spaces from our Head Office to construction sites.

We take life cycle stages into consideration while managing our processes with environmental consciousness. We measure our significant environmental aspects and impacts with environmental impact assessments conducted for both our Head Office and our projects, and evaluate our process steps, risks and opportunities.

As part of waste management and in line with the Zero Waste Certificate, we carry out comprehensive waste separation practices in the Çalık Holding building where our Head Office is located. We separately collect hazardous and non-hazardous waste at our construction sites and respect the waste hierarchy with workshops and practices based on reusing the waste. We comply with the legislation in Türkiye and other countries where we operate. We raise and maintain our employees' awareness with regular trainings, internal/external trainings and information bulletins. We support all these practices with risk and opportunity analyses conducted within the scope of the ISO 14001 Environmental Management System.

We consider water management as an important component of our sustainability operations. We prioritize using designs that aim to reduce water consumption and applying green building criteria according to demand in our projects. We perform various process improvement works for using water efficiently in construction phases. We record water usage in the categories of drinking water and utility water. We take necessary measures to protect surface and groundwater resources in the areas where we carry out our projects. We contribute to reducing our water consumption by using equipment that helps conserve water, such as motion-activated water faucets, in our Head Office building.

We are also aware of our responsibility about biodiversity. Before the commencement of projects, we conduct Environmental Impact Assessment (EIA) studies to identify critical habitats and sensitive species, and define project-specific conservation measures where needed. We also manage environmental impacts such as noise, dust, waste, and water pollution during construction within the framework of internationally recognized standards and legal regulations. Necessary measures are taken at all sites to prevent harm to the environment.

We ensure traceability and efficiency in our supply chain processes by utilizing digital solutions effectively. We manage processes digitally with the Supplier Lifecycle (SLC) Module and Supplier Proposal Module, and record the technical, environmental and social requirements for each supply item. We expect our suppliers to meet criteria such as compliance with ethical principles, protection of human rights, prevention of child labor, anti-corruption and environmental awareness in addition to quality standards. We require certifications such as ISO 14001, EPD and ISO 50001 from our suppliers, and impose clear obligations on subcontractors with the HSE Requirements document. We also advance our works on sustainable supply in integration with Çalık Holding. We believe that this is one of our strategic development areas, and aim to encourage the spread of the transformation process throughout the organization.

In all these operational practices, we see ESG principles not only as a target but also as integral pillars of our corporate culture. As Gap İnşaat, we invest in the future with an operational model that contributes to sustainable development, manages risks, creates value and focuses on people.

Information Security

In today's rapidly digitalizing world, cybersecurity and data privacy are critical for the construction industry, as in all sectors. **The World Economic Forum's Global Risk Report 2024**[11] considers cyber threats as one of the risks with the most widespread and destructive impacts over the next decade. It is anticipated that data breaches and cybersecurity vulnerabilities will have serious consequences not only in technical systems but also in areas such as stakeholder trust, legal compliance and corporate sustainability. As Gap İnşaat, we see Information Security Management as one of the pillars of our corporate culture to ensure the security of our digitalized business processes.

As of 2024, the ISO 27001:2022 Information Security Management System was integrated into all organizational units and procedures were prepared for the functioning of the system. Within this scope, a systematic structure consisting of technical infrastructure, security applications, data privacy, access control, business continuity and similar topics was established.

Information security processes at Gap İnşaat Head Office and all project regions are carried out in coordination with Çalık Holding Information Technologies Department, and all necessary infrastructure services are provided centrally. As a result of this system, the ISO 27001:2022 Information Security Management System certificate was obtained successfully in 2024.

The following processes were successfully completed in line with our information security targets for 2024:

- Establishing the ISO 27001 system,
- Preparing documentation through joint efforts with the units for the purpose of safeguarding the information security management,
- Providing awareness training throughout the system,
- Increasing all employees' compliance with the Information Systems Usage Instructions and Personal Data Protection Policy,
- Certificating the ISO 27001 Information Security Management System.

In line with our plans prepared in coordination with Çalık Holding for the areas of business continuity and crisis management, backup and emergency system tests are conducted at least twice a year, ensuring uninterrupted provision of services. Within this scope, no incidents of data loss or customer privacy breach occurred during 2024.

As Gap İnşaat, we see our information security processes not only as a legal obligation, but also as an inseparable part of protecting our reputation, customer trust and business continuity. With this understanding, we conduct all our activities without compromising the principles of data privacy, transparency and reliability.

11. https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf

Supplier and Logistics Management

Supply chain and logistics management is considered not only as the supply of materials and services, but also as a management area that enhances corporate resilience, contributes to sustainable development and offers strategic advantages at every stage of the value chain. As Gap İnşaat, we manage this process from the perspective of operational excellence and sustainability.

We are going through a period when supply chains around the world face deepening risks in political, ecological, technological, social and financial areas. As stated in PwC's report "Reinventing Supply Chains 2030", it has become inevitable for companies to build resilient structures against this multidimensional crisis environment and restructure their supply chains with a transformative approach. With this awareness, we redesign Gap İnşaat supply chain in line with Environmental, Social and Governance (ESG) principles.

In our supplier selection processes, we not only consider quality, cost and delivery time but also sustainability criteria such as ethical business principles, respect for human rights, occupational health and safety (OHS), prevention of child labor and environmental performance. We establish long-term relationships with critical suppliers, and build partnerships based on mutual trust, continuous improvement and transparency. We conduct audits on our suppliers against the possibility of employing child labor. In accordance with Çalık Holding's Business Ethics Rules and Compliance Regulation, we impose sanctions in case such incidents occur.

As of 2024, we have introduced regular audits and surveys to evaluate our suppliers' occupational health and safety performance. We also monitor our suppliers' sustainability performance at least once a year with environmental and social responsibility assessments, and guide them to raise awareness on these issues. All these assessments are implemented as part of a holistic structure supporting our suppliers' development processes.

By taking advantage of the opportunities offered by digitalization, we manage our procurement and proposal processes on a centralized, trackable and user-friendly platform through the Supplier Lifecycle (SLC) Module and Supplier Proposal Module developed by Çalık Holding. Thanks to this system, we both increase our operational efficiency and ensure that our suppliers can be evaluated according to the criteria of compliance, sustainability and transparency.

We maintain the same vision of sustainability in our logistics processes. In our transportation processes integrated with the SAP TM module, we digitally track all processes from customs entry/exit data to site delivery, and ensure operational continuity through instant information flow between the Head Office and construction site teams.

In all these processes, we see our suppliers not only as service providers, but also as strategic business partners and integral parts of our sustainable value chain. With this understanding, we procured 68% of goods and services from local suppliers in 2024, reflecting both our contribution to local economies and our responsible supply approach.

In order to mitigate environmental impacts on construction sites, we inquire whether our suppliers have certifications such as ISO 14001, EPD (Environmental Product Declaration) and ISO 50001. We conduct environmental compliance analyses on a product basis when necessary, and shape our procurement processes accordingly. Moreover, we plan our supply chain in line with environmental sensitivities in EPC and real estate projects, and conduct transportation processes with minimal impact on natural areas.

All these efforts are shaped by the awareness that we are responsible for building not only today's but also the future supply chain. As Gap İnşaat, we continue to grow with a sustainable, resilient and transparent approach to supply chain and logistics management in a period filled with global uncertainties.

Suppliers	Unit	2022	2023	2024
Total number of suppliers	#	549	636	1,038
Number of local suppliers	#	218	464	707
Number of foreign suppliers	#	331	172	331
Number of new suppliers	#	219	241	275

GAP İNŞAAT

Sustainable Project Approach

As Gap İnşaat, we see sustainability not only as a strategic target but also as an integral pillar of our business. We have focused on building not only today but also the future with people-oriented and environmentally friendly projects since our establishment in 1996. We operate across three continents under the motto "Adding Value to People and the World". We carry out a wide range of projects from infrastructure to superstructure, and from healthcare and industrial facilities to urban structures.

As of 2024, we are proud to have completed 137 projects worth over 6.4 billion US dollars successfully, and continuing our activities with the same determination with 15 ongoing projects. These achievements reflect not only our engineering and planning capabilities but also our approach that respects nature and society.

Since 2006, we have been consistently included in the annual list of “The World's Largest Contractors” by the American ENR Magazine as an achievement representing Gap İnşaat's globally recognized organizational structure and sustainable engineering approach. We build a secure future today with our projects especially in challenging geographies, without compromising on time, quality and environmental sensitivity.

In line with our sustainable project management approach, we carefully assess the environmental and social impacts of all projects at every stage of the project lifecycle. We develop engineering solutions that will reduce our environmental footprint against the increasing impacts of climate change and harmonize our operational processes with the UN Sustainable Development Goals (SDGs).

Moreover, our projects in Türkiye are regularly audited by the Ministry of Environment, Urbanization and Climate Change for full compliance with environmental regulations, and by the Ministry of Labor and Social Security in the field of occupational health and safety.

As Gap İnşaat, we continue to realize innovative, technological and environmentally friendly projects by centering our activities around the concept of "Engineering of the Future". We develop innovative engineering solutions to create structures that are both environmentally friendly and socially beneficial in projects we carry out both at our Istanbul Head Office and in various countries.

In the upcoming period, we aim to undertake more infrastructure and superstructure projects, especially in strategic regions such as Europe, Africa and Central Asia, and to extend our responsible contracting approach to broader geographies. Considering the importance of smart cities and green building projects on the sectoral agenda, we prioritize the creation of new opportunities in these fields. In this regard, we plan to continue our work in line with the dynamics of the era through our existing departments as well as the Technology and Innovation Department we intend to establish.

As Gap İnşaat, we design our sustainable project management approach to respond not only to today's needs but also to tomorrow's requirements.We remain committed to delivering projects that add value to society, environment and our stakeholders.

Our Ongoing and New Projects in 2024

Country	Project Name	Status
Türkiye	Taksim 360 Project	Ongoing
	Gediktepe Sulfite Project	Recently Started
	Tuzla Industrial Facility Project	Recently Started
Germany	Untergruppenbach Fiber Optics Project	Ongoing
	Löwenstein Fiber Optics Project	Ongoing
	Kirchardt Fiber Optics Project	Ongoing
	Beilstein Fiber Optics Project	Ongoing
	Obersulm Fiber Optics Project	Ongoing
	Ellhofen Fiber Optics Project	Ongoing
Qatar	Qatar Military Forces Base Project	Ongoing
Turkmenistan	International Rehabilitation Center	Completed
	International Physiology Center	Completed
	Ashgabat City Administration Complex	Completed
	International Oncology Center	Ongoing
	International Pediatric Centre	Ongoing
	Stomatology Centre	Ongoing
	Ahalteke Equestrian Complex	Ongoing
Poland	Poland Highway Project Lot 4 Izbica Zamosc Sitaniec	Recently Started

Completed | Ongoing | Recently Started

Healthcare Facilities

International Rehabilitation Center

Completed
Opening Date: 9 October 2024

It is Turkmenistan's first rehabilitation center.

Project Type: International Rehabilitation Center
Location: Ashgabat, Turkmenistan
Employer: Turkmenistan Ministry of Health
Contractor: Gap İnşaat
Project Status: Completed
Delivery Model: EPC – Turnkey

Technical Specifications:

Total Closed Area: 68,700 m²
Project Area: 60,000 m²
Landscaping Area: 25,318 m²
Bed Capacity: 400 Beds
(250 Adults + 150 Children)
Multi-Level Parking Garage Capacity:
240 Vehicles

Comprehensive Service Areas:

- Architectural and engineering design
- Construction practices
- Medical planning
- Supply and installation of equipment

International Physiology Center

Completed
Opening Date: 9 October 2024

A specialized healthcare complex at international standards, which combines research, diagnosis and advanced physiological treatment services.

Project Type: International Physiology Scientific-Clinical Center
Location: Ashgabat, Turkmenistan
Employer: Turkmenistan Ministry of Health
Contractor: Gap İnşaat
Project Status: Completed
Delivery Model: EPC – Turnkey

Technical Specifications:

Total Closed Area: 67,500 m²
Hospital Blocks: 46,500 m²
Technical Buildings: 3,000 m²
Multi-Level Parking Garage: 18,000 m²
Landscaping Area: 20,130 m²
Bed Capacity: 250 Beds
Multi-Level Parking Garage Capacity: 500 Vehicles
Number of Elevators: 23
Number of Laboratories: 7
Intensive Care Beds: 26
Operating Rooms: 6
Vivarium: Yes
Technical Centers: Water tanks, mechanical and electrical infrastructure systems

Comprehensive Service Areas:

- Architectural and engineering design
- Construction practices
- Medical planning
- Laboratory and technical infrastructure design
- Supply and assembly of equipment

International Oncology Center

Ongoing
Planned Completion: 2026

Project Type: International Oncology Specialty Hospital
Location: Ashgabat, Turkmenistan
Employer: Turkmenistan Ministry of Health
Contractor: Gap İnşaat
Project Status: Ongoing
Delivery Model: EPC – Turnkey

Technical Specifications:

Total Project Area (Land): 12.5 Hectares
Total Closed Area: 91,065 m²
Hospital Blocks: 85,565 m²
Technical and Auxiliary Buildings: 5,500 m²
Bed Capacity: 500 Beds
Intensive Care Rooms: 48
Operating Rooms: 14
Angiography Rooms: 2
Linear Accelerators (Linac): 6
Cyclotron Units: 1
Number of Elevators: 29
Parking Garage Capacity: 400 Vehicles (Covered Area)
Technical Facilities: 1 Technical Center, 1 Water Tank, 1 Garage Building, 1 Waste Incineration Unit

Comprehensive Service Areas:

- Medical engineering and device integration
- High-technology radiotherapy systems designed explicitly for oncology
- Critical intensive care and operating room infrastructures
- Technical center and environmental waste production solutions
- Architectural, engineering, construction and medical planning services

International Pediatric Centre

Ongoing
Planned Completion: 2026

It makes a qualified contribution to healthcare services in the region as a modern pediatric center that is designed specifically for children's health and equipped with intensive care and surgical infrastructure.

Project Type: International Pediatric Health Center
Location: Ashgabat, Turkmenistan
Employer: Turkmenistan Ministry of Health and Medicine
Contractor: Gap İnşaat
Project Status: Ongoing
Delivery Model: EPC – Turnkey
Maintenance Period: 12 Months

Technical Specifications:

Total Closed Area: 35,065 m²
Hospital Blocks
Technical and Auxiliary Buildings
RP Building
Bed Capacity: 160 Beds
Intensive Care Rooms: 15
Number of Operating Rooms: 5
Parking Garage Capacity: 340 Vehicles (Covered Areas for 240 Vehicles + 100 Vehicles)

Comprehensive Service Areas:

- Architectural and engineering project design
- All construction and infrastructure applications
- Supply of medical devices and equipment
- Medical facility planning
- Landscaping and technical building integration

Stomatology Centre

Ongoing
Planned Completion: 2026

It is one of the country's most comprehensive stomatology centers combining modern dental disciplines with its multi-story architecture and advanced infrastructure.

Project Type: Oral and Dental Healthcare Center
Location: Ashgabat, Turkmenistan
Employer: Turkmenistan Ministry of Health
Contractor: Gap İnşaat
Project Status: Ongoing
Delivery Model: EPC – Turnkey
Maintenance Period: 12 Months

Technical Specifications:

Total Closed Area: 30,230 m²
Project Area (Land Area): 33,000 m²
Landscaping area: 25,307 m²
Building Floor Structure: Basement + 10 Floors + Technical Floor
Building Height: 52.55 meters
Bed Capacity: 80 Beds
Intensive Care Units: 10
Number of Operating Rooms: 4 Main Operating Rooms
Number of Elevators: 12

Comprehensive Service Areas:

- Medical and architectural project design
- Turnkey construction practices
- Supply of all clinical equipment and devices
- High-technology operating room and intensive care infrastructure
- Landscaping

Medical and Clinical Units:

- Oral and Maxillofacial Surgery
- Plastic and Reconstructive Surgery
- Pediatric Dentistry
- Implantology
- Periodontal Treatment Unit
- Dental Restoration
- Endodontics
- Orthodontics
- General Polyclinics Dental Restoration

Superstructure

Ashgabat City Administration Complex

Completed
Opening Date: 1 September 2024

Project Type: Public Services and Administrative Buildings Complex
Location: Ashgabat, Turkmenistan
Employer: Ashgabat Local Health Service
Contractor: Gap İnşaat
Project Status: Completed
Delivery Model: EPC – Turnkey

Technical Specifications:

Total Closed Area: 21,265 m²
Main Building: 15,282 m²
Additional (Retirement) Building: 2,431 m²
Technical Buildings: 820 m²
Underground Parking Garage: 2,732 m²
Project Area (Land Area): 18,000 m²
Landscaping Area: 3,491 m²
Parking Garage Capacity: 64 Vehicles (Underground)
Personnel Capacity:
Main Building: 330 People
Retirement Administration (Pensiya): 59 People
Number of Elevators: 5
Technical Centers: Mechanical and electrical infrastructure systems, water tank
Additional Components:
Decorative pool
Outer colonnade and surrounding architecture

Comprehensive Service Areas:

- Architectural and engineering design
- Construction and indoor applications
- Electrical and mechanical infrastructure installations
- Landscaping
- Technical solutions for public use

Ahalteke Equestrian Complex

Ongoing
Planned Completion: 2026

It is a multifunctional hippodrome and complex area equipped to meet international standards, reflecting Turkmenistan's deep-rooted equestrian culture, and combining racing, horse care and ceremonial functions.

Project Type: Equestrian and Racing Complex Renovation and Expansion Project
Location: Ashgabat, Turkmenistan
Employer: Presidential Administration of Turkmenistan Directorate of Administrative Affairs
Contractor: Gap İnşaat
Project Status: Ongoing
Delivery Model: Modernization + New Additional Buildings

Technical Specifications:

Total Project Area: 731,000 m²
Landscaping Area: 273,600 m²
Racecourse:
Length: 1,750 m
Width: 21.5 m
Hard Surface Paving of the Infield Area: 97,300 m² (Granite)

Comprehensive Service Areas:

- Revision of existing structures
- Construction of new structures
- Custom architectural and interior design applications
- Construction of sports infrastructure (racecourse, closed manage, grandstand, horse stables, vip buildings)
- Protocol and VIP area design
- Landscaping and outdoor arrangements

Components of the Complex:

- VIP Building
- Custom marble flooring and wall finishes
- Wooden decoration and façade elements
- Custom design furniture
- Spectator Grandstand
- Capacity: 5,027 People
- Horse Stables: 648
- Administrative Building
- Quarantine Building
- Workshop Building
- Feed Storage Facilities
- ManègeStructures (Training Courses)
- Water Tanks
- Technical Buildings

Qatar Military Forces Base Project

Ongoing
Planned Completion: 28 February 2024

Project Type: Military Training and Tactical Integration Center
Location: Doha, Qatar
Employer: Qatar Armed Forces
Consultancy: Engineering Council of the Emir of Qatar
Contractor: Gap İnşaat
Project Status: Completed
Delivery Model: EPC – Turnkey (Design + Construction + Installation + Commissioning)

Comprehensive Service Areas:

- Design and Construction Works
- Installation and Commissioning Processes
- Project Management & Technical Office Works
- Procurement and Logistics Management
- Quality Assurance and Quality Control Procedures (QA/QC)
- Occupational Health and Safety (OHS) Practices
- Mobilization and Field Activities
- Coordination with Local Authorities & Technical Compliance Processes

Tuzla Industrial Facility Project

Ongoing

Project Type: Industrial Facility Construction
Location: Tuzla Organized Industrial Zone, İstanbul
Employer: İkideniz Petrol Gaz Sanayi ve İnşaat Ticaret A.Ş.
Contractor: Gap İnşaat
Project Status: Ongoing
Delivery Model: EPC

Technical Specifications:

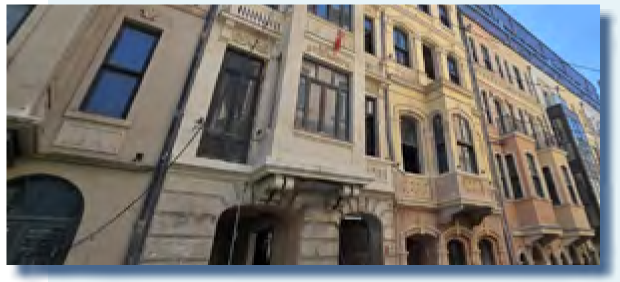
Total Construction Area: 13,679.48 m²
Number of Floors and Building Type:
1 Basement
1 Basement Mezzanine
1 Ground Floor
1 Ground Mezzanine
Structural System: Reinforced concrete and steel roof system

Comprehensive Service Areas:

- Industrial storage design and project implementation
- Reinforced concrete and steel construction works
- Integration of technical infrastructure and roof systems
- Project management and field coordination

Taksim 360 Project

Ongoing



Project Type: Tarlabaşı Urban Renewal Project
Location: İstanbul, Türkiye
Employer: Beyoğlu Municipality
Contractor: Gap İnşaat
Project Status: Ongoing
Delivery Model: Public-Private Sector Partnership (PPP)

Technical Specifications:

Total Construction Area: 9 building blocks
Number of Floors and Building Type: Office and residence buildings
Structural System: A Combination of modern construction techniques with the historical fabric in compliance with the LEED Gold criteria

Comprehensive Service Areas:

- Urban renewal design and multi-building project implementation
- Protection of the historical fabric and building
- integration
- Construction process in accordance with LEED Gold certification criteria
- Project development with public-private sector partnership
- Project management, field coordination and sustainable building approach

Infrastructure

Design and Construction of S17 Piaski-Hrebenne Highway, LOT4: "Izbica" ("Tarzymiechy") without intersections - "Zamość Sitaniec" ("Sitaniec") with intersections

Ongoing
Planned Completion: 2028

Project Type: Highway Design and Construction
Location: S17 Piaski – Hrebenne Corridor, Poland
Employer: GDDKiA (General Directorate for National Roads and Motorways – Poland) Lublin Branch
Contractor: Gap İnşaat (Leader)
Fabe Polska LLC (Partner);
"SP" Sine Midas Stroy " LLC (Partner)
Project Status: Ongoing
Delivery Model: EPC

Technical Specifications:

- 26 highway viaducts
- Overpass bridge
- Animal crossing bridge
- Retaining structure
- 1 highway interchange arrangement in Zamość Sitaniec Region and 1
- Roundabout underpass at km
- 4+730 (Former Zamość)
- Rainwater drainage structure
- Sound-absorbing panels
- Highway Traffic Management and Traveler
- Information Systems (ITS)
- Road lighting and various finishing works

Comprehensive Service Areas:

- Design and Construction a part of S17 Piaski-Hrebenne Highway
- LOT4 is the section between "Izbica" ("Tarzymiechy") and “Zamość Sitaniec". The project has a length of 9.89 km.
- The project is designed as an expressway with a design speed of 130 km/h, featuring a 2x2 traffic lane configuration, asphalt pavement, a median divided by steel barriers and safety shoulders.

Gediktepe Sulfite Project

Ongoing
Planned Completion: 2026

Project Type: Sulfide Ore Beneficiation and Flotation Plant
Location: Gediktepe Mining Site, Balıkesir
Employer: Polimetal Madencilik San. ve Tic. A.Ş.
Contractor: Gap İnşaat
Project Status: Ongoing
Delivery Model: EPC – Turnkey (Engineering, Procurement and Construction)

Technical Specifications:

Facility Feeding Capacity: 5,000 tonne/day
Components of the Facility:
Sulfide Ore Beneficiation Plant
Clean Water Pond
Tail Storage Facility
Auxiliary Industrial Facilities

Comprehensive Service Areas:

- Main Mechanical Equipment
- Crushers and Screens
- Ball Mills
- Fine Grinding Mills
- Flotation Plant
- Product Filters
- Process Pumps and Auxiliary Equipment

Germany Fiber Optic Projects

Ongoing

Project Type: Fiber Optic Infrastructure and Residential Connection Projects
Location: Untergruppenbach, Löwenstein, Beilstein, Kirchardt, Obersulm, Ellhofen – Germany
Employer: Deutsche GigaNetzD
Contractor: Gap İnşaat (Deutsche Tiefbau)
Project Status: Ongoing
Delivery Model: Design & Build

Technical Specifications:

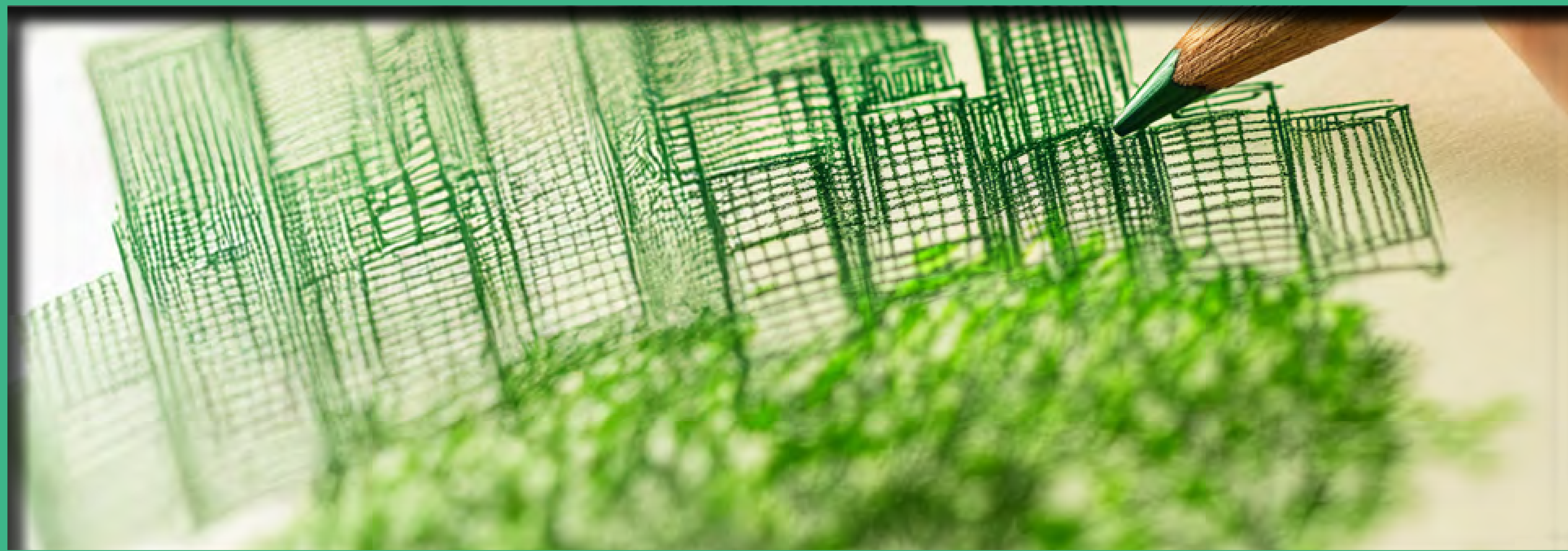
Total Construction Area: 282 km trench excavation
Building Type: Underground fiber optic infrastructure implementation
Structural System: Engineering solutions and home connection systems specific to the telecommunications infrastructure

Comprehensive Service Areas:

- 282 km fiber optic trench excavation works
- Fiber optic infrastructure to 27,725 residences
- Direct in-home fiber connections for 5,383 residences
- Project engineering and implementation with the Design & Build model
- Multi-regional field operation and infrastructure coordination

GAP İNŞAAT

SUSTAINABILITY APPROACH



Ranking among the world's most respected and prestigious contracting companies, our work in environmental, social and governance areas are shaping our sustainability journey with the target of enhancing the well-being and health of future generations and the world we live in. In this context, we make positive contributions to and gain strength together with our stakeholders by integrating sustainability into our value chain. We act with an effective governance approach in every region where we operate and contribute to our future by implementing projects that support social welfare.

We make a multidimensional and decisive contribution to tackling the climate crisis and building a low-carbon future.

In our value chain, we share value with our suppliers, customers, employees and society through sustainability practices.

We support the value generation cycle with our corporate governance structure and business model structured on the basis of ethical behavior, honesty and transparency.

SUSTAINABILITY STRATEGY

Shaped around the motto "Investing in the future by adding value to people and the world", our sustainability structure is managed with the perspective of preserving existing values while creating new ones.

When developing our strategy, we combine the risks and opportunities identified with our corporate SWOT analysis and our Senior Management's comprehensive perspective in order to continuously update and strengthen our processes. We build our own sustainability journey by following closely national and global sustainability trends as well as ensuring alignment with our corporate culture. Based on our systemic management approach, we aim to build a robust and resilient organizational structure for the future and create long-term value in environmental, social and economic areas.

Sustainability efforts at Gap İnşaat are supported by our Senior Management, shaped with the contributions of managers and employees at every level that are involved in our projects, and managed under the leadership of our Health, Safety, Environment and Quality Department, which is our sustainability team at the Head Office.

Through a strategic and holistic approach to our sustainability management, we continue to create value in environmental, social and governance matters.

For more comprehensive information about our "Health, Safety, Environment and Sustainability Policy", you can visit our **website**. This policy document reflects our management's integrated approach to sustainability topics.

Departments Comprising Our Sustainability Team

- Health, Safety, Environment and Quality Department (Leader)
- Legal and Compliance Department
- Human Resources Department
- Business Development and Proposal Department
- Procurement and Logistics Department
- Financial Affairs Department
- Corporate Communication Department

VALUE CHAIN

Pre-Project Activities

- Business Development Processes
- Legal Process
- Financial Affairs Process
- Proposal Process
- HSE-Q Process

Project Preparation Phase

- Human Resources Process
- Architectural Coordination
- Budget Process
- Planning Process
- Procurement Process
- Machinery Supplies Process
- HSE-Q Process

Site Preparation Phase

- Information Technologies Process
- Document Management Process
- Human Resources Process
- Machinery Supplies Process
- Mobilization Process
- Procurement Process
- Subcontractor and Management Process
- Planning and Budget Process
- HSE-Q Process

Construction Phase

- Building Process
- Planning Process
- Budget Process
- Financial Affairs Process
- Procurement Process
- Machinery Supplies Process
- HSE-Q Process

Testing and Commissioning

- Human Resources Process
- Testing Process
- Commissioning Process
- Demobilization Process
- Document Management Process
- HSE-Q Process

Delivery

- Delivery Process
- Budget Process
- Financial Affairs Process
- Warranty Process
- HSE-Q Process

VALUE CREATION MODEL

<table>
<tr><th>Capital Element</th><th>Inputs</th><th>Activities</th><th>Outputs</th><th>Material Topics</th><th>Value Created</th></tr>
<tr><td>Financial Capital</td><td>• TRY 11.7 billion equity
• TRY 38.3 billion asset size
• Transparent financial management
• Effective risk management system</td><td rowspan="3">Vision
As a global player, we envision taking steps towards sustainable tomorrows while building today, developing agile and innovative approaches to offer the most effective solutions to our stakeholders. We aim for sustainable successes with every step we take into the future.

Mission
As Gap İnşaat, we aim to generate solutions that add value to human life across all the regions where we operate by utilizing our skills and energy. Our goal is to contribute to the enhancement of social welfare through the solutions we provide.

Purpose
To be among the world's leading companies in the construction sector.


</td><td>• TRY 14 billion turnover
• TRY 381 million consolidated net profit</td><td>Access to Financial Resources
Compliance with International and Local Ethical Values and Legislation
Quality and Corporate Trust
Operational Risk Management</td><td>With our operations across 3 continents and international co-operations, in addition to adding value to the Turkish economy, we make significant contributions to our country's production and exports. We focus on sustainable growth by increasing our competitiveness in the sector.</td></tr>
<tr><td>Manufactured Capital</td><td>• Operating in a wide geography including Türkiye, Turkmenistan, Iraq, Qatar, Saudi Arabia and Germany
• Harmonization studies with integrated management systems
• Service quality at international standards
• Projects we have fulfilled in 3 continents</td><td>• 146 projects we have realized with the "Engineering of the Future" approach
• Domestic and international turnkey delivery
• Our management system certifications
• Completed project revenues above USD 6.4 billion</td><td>Sustainable Project Approach
Quality and Corporate Trust
Operational Risk Management</td><td>We create value together with our stakeholders to achieve continuity and sustainable success.</td></tr>
<tr><td>Intellectual Capital</td><td>• 28 years of sectoral expertise</td><td>• We have been listed in ENR, the world's largest and most prestigious list of contractors, uninterruptedly since 2006.</td><td>Sustainable Project Approach</td><td>We increase our reliability in the sector with our sustainable project approach and future-oriented investments.</td></tr>
</table>

Capital Element	Inputs	Outputs	Material Topics	Value Created
Human Capital	• **2,293** employees in total • Equal opportunity and diversity approach	• **5.23%** percentage of women in the workforce • **24%** percentage of female interns recruited • **16%** percentage of women among first level managers • **43%** percentage of female new graduates recruited • **17%** percentage of female employees in STEM positions • **18%** employee turnover rate • **34** average training per hour of employee • **0** fatal work accidents and **0** occupational diseases • **284,412** hours of OHS training	**Competent Human Resources** **Local Employment and Interaction with Local Communities**	As Gap İnşaat, we prioritize the satisfaction, welfare and well-being of our employees with the values of wholehearted work and human orientation, which are an integral part of our corporate culture. We aim to maximize the existing talents and potential of our employees by strengthening our competent human resources.
Social and Relationship Capital	• **Customer satisfaction oriented** business approach • **1,038** total number of suppliers • **15** international customers including Turkmenistan, Qatar, Poland and Germany • **Our Sustainable Supply Chain and Local Procurement approach**	• High customer satisfaction rate • **1,111** Health, Safety and Environment Field Inspection • **68%** percentage of local suppliers	**Employer and Customer Satisfaction** **Supplier and Logistics Management**	We are open with all our stakeholders and focus on better understanding the needs and expectations of our stakeholders in line with our value of trust and solidarity.
Natural Capital	• **16,557,860** kWh total electricty consumption • **4,698,212.39** cubic meters of water consumption	• **24,641** tCO_2 Scope 1, Scope 2 and (partial) Scope 3 emissions • **26%** reduction in Scope 2 emissions • **15%** reduction in Scope 3 emissions • **43%** waste reduction	**Environmental Footprint and Climate Change** **Natural Resource Management** **Water and Wastewater Management**	We continue our efforts to reduce our environmental footprint.

Activities

Positive Environmental Value
Positive Social Contribution
Positive Governance
Global and Sectoral Trends

Stakeholders

Employees, Customers, Business Partners, Social Stakeholders, Public Institutions, Shareholders, Holding Subsidiaries

Relevant SDGs

MATERIALITY ANALYSIS

As Gap İnşaat, we conducted our first materiality analysis in 2021 in order to understand the changing needs of our stakeholders, assess our risks and opportunities accurately, and determine the goals to focus on.

In the stakeholder workshop organized as part of the process of determining our materiality analysis, we addressed the topics deemed important by our stakeholders and Gap İnşaat Board of Directors, and identified 20 material topics under the headings of environment, social, governance and economy.

In 2023, we reassessed our material topics in the light of sectoral and global trends concerning today's new conditions. We reduced the number of our material topics from 20 to 13 with the approval of our Senior Management in order to take effective action on our focus areas, manage our efforts appropriately, and facilitate the integration of our material topics with our strategy.

In 2024, we conducted a study without the need to make any changes to our 13 material topics, and analyzed the potential impacts of these topics on our company and how we manage these impacts. Accordingly, we focused on the impact dimension of our material topics that constitute the pillars of our sustainability strategy.

Material Topics in 2024

- Sustainable Project Approach
- Occupational Health and Safety
- Environmental Footprint and Climate Change
- Compliance with International and Local Ethical Values and Legislation
- Employer and Customer Satisfaction
- Local Employment and Interaction with Local Communities
- Water and Wastewater Management
- Quality and Corporate Trust
- Competent Human Resources
- Natural Resource Management
- Access to Financial Resources
- Operational Risk Management
- Supplier and Logistics Management

Our Material Topics	Potential Impact of Our Material Topics	Primary Effect of the Relevant Material Topic on Our Company	How We Manage It?	Our Contribution to SDGs	Relevant Section
Sustainable Project Approach	The ineffective management of a sustainable project approach not only harms the environment but also leads to increased energy and water costs, issues in waste management, and higher maintenance costs throughout the project's life cycle. Effectively managing projects strengthens credibility in the eyes of national and international investors and business partners by providing a competitive advantage in the industry. This not only offers a competitive edge but also establishes a robust foundation for long-term growth and sustainable success.	Solidifying Environmental, Social, and Economic Sustainability, Reducing our negative impact on climate change, Lowering costs, Strengthening business continuity, Establishing more transparent and planned relationships with our internal and external stakeholders at every level of our value chain, Developing brand management based on ESG issues	Since 1996, we have been continuing our human-centered and environmentally harmonious projects under our motto, "Investing in the future by adding value to people and the world." Operating across three continents, we manage a wide range of projects from infrastructure to superstructure, from healthcare and industrial facilities to urban buildings. We have been consistently featured in the "World's Largest Contractors" list, announced annually by American ENR Magazine, since 2006, executing projects in challenging geographies without compromising on time, quality, or environmental sensitivity.		For more detailed information, you can refer to the **Sustainable Project Approach** section.
Occupational Health and Safety	The inadequacy of occupational health and safety measures can lead to serious workplace accidents, permanent injuries, and even loss of life due to high-risk working conditions. Such incidents not only threaten the health of employees but also cause significant operational disruptions, work stoppages, and increased costs in projects. Factors like lack of safety equipment in fieldwork, inappropriate working environments, and insufficient training further increase risks. Moreover, conditions such as long-term physical strain, psychological pressure, stress, and burnout can reduce productivity by lowering employee motivation and performance. This situation can lead to the loss of qualified workforce for Gap İnşaat, decreased employee satisfaction, and damage both in terms of operations and firm reputation.	Ensuring a psychologically and physically healthy work environment, Establishing a safety priority for all positions and work environments, Improving employee well-being, Increasing employee engagement, Strengthening our monitoring and control capabilities, Supporting time and workforce planning, Enhancing brand and reliability value	By considering OHS as an integral part of our business, we take all necessary precautions to establish a healthy and safe working environment throughout our value chain. We regularly assess our OHS performance under the leadership of our management through annual Management Review meetings, reviewing performance indicators to identify continuous improvement areas. We operate with a "zero accidents" principle across all our operations, conducting field inspections throughout the year. We provide internal and external training to raise awareness of occupational health and safety.		For more detailed information, you can refer to the **Occupational Health and Safety** section.

Our Material Topics	Potential Impact of Our Material Topics	Primary Effect of the Relevant Material Topic on Our Company	How We Manage It?	Our Contribution to SDGs	Relevant Section
Environmental Footprint and Climate Change	Failure to manage the environmental footprint and climate change impacts of Gap İnşaat, operating in a sector that significantly affects global climate change, can result in increased legal sanctions due to the company's high carbon emissions and lead to significant increases in energy and raw material costs. This situation can cause Gap İnşaat to deviate from its sustainability goals, reduce the confidence of its investors and stakeholders, and damage its reputation in the market.	Reducing our negative impact on climate change and our greenhouse gas emissions, Increasing awareness of environmental sustainability, Conserving natural resources and biodiversity, Ensuring control over costs, Strengthening our monitoring and control capabilities, Supporting time and workforce planning, Enhancing brand and reliability value	We take steps with the awareness that reducing our negative environmental impact and leaving a livable world for future generations is everyone's responsibility. Every year, we calculate our Scope 1, Scope 2, and Scope 3 (Partial) emissions according to procedures and conduct Carbon Footprint analyses. Under the ISO 14001 Environmental Management System, we standardize Gap İnşaat's Environmental Management through the documentation we have developed. We regularly evaluate legal requirements in accordance with the regulations of all the countries we operate in. To properly analyze the environmental impacts of our projects, we conduct Environmental Aspect and Impact Analyses and Risk and Opportunity Assessments, providing regular training to all our employees to increase awareness on environmental and sustainability issues. We apply routine controls and inspections by evaluating environmental factors in all our activities.	4 Quality Education 7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action 14 Life Below Water 15 Life on Land	For more detailed information, you can refer to the **Environmental Footprint** and **Climate Change** section.
Compliance with International and Local Ethical Values and Legislation	Ineffective management of compliance with international and local ethical values can lead Gap İnşaat to experience reputation loss, face legal issues, and damage its reliability, creating a negative perception among stakeholders, customers, and business partners. This may result in investors steering away from the company and a decrease in business opportunities. Ethical violations can cause internal conflicts among employees and reduce trust in the company, threatening long-term sustainability.	Strengthening corporate risk management, Enhancing brand quality, reputation, and reliability value, Ensuring business continuity, Preventing conflicts both inside and outside the company, Developing and reinforcing employee engagement and corporate culture.	As Gap İnşaat, we directly address and evaluate ethical rule violations through the Ethics Committee within Çalık Holding. This committee continues its work to resolve conflicts of interest, review violation reports, and guide our group companies in ethical compliance processes. All our employees can report ethical violations they encounter to their managers, our company's compliance officer, Çalık Holding's Compliance Manager, or any member of the Ethics Committee via the Çalık Group's Ethics Line, ensuring confidentiality principles are adhered to.	9 Industry, Innovation and Infrastructure 10 Reduced Inequalities 17 Partnerships for the Goals	For more detailed information, you can refer to the **Compliance with International and Local Ethical Values and Regulations** section.

Our Material Topics	Potential Impact of Our Material Topics	Primary Effect of the Relevant Material Topic on Our Company	How We Manage It?	Our Contribution to SDGs	Relevant Section
Employer and Customer Satisfaction	Ineffective management of employer and customer satisfaction can lead to communication breakdowns in projects, unmet expectations, and reduced quality standards. This situation can cause a loss of trust between Gap İnşaat and its customers, make it difficult to complete projects on time and within budget, damage the company's reputation, and hinder new job opportunities. Moreover, negative feedback can reduce competitiveness in the market and, in the long term, lead to financial losses and market share loss. Adapting to changing customer needs and expectations has a significant advantage in standing out in the market and increasing competitiveness.	Enhancing brand quality, reputation, reliability, and value, Ensuring business continuity, Lowering costs, Increasing company revenues, Supporting time and workforce planning, Reducing our negative impact on climate change,	We integrate our customer satisfaction within our Integrated Management System, encompassing areas like quality, environment, and occupational health and safety. We blend our processes with factors such as quality assurance, data security, environmental sensitivity, and social responsibility. In every project, to measure the satisfaction level of our employers and users, we systematically measure user experiences through Customer Satisfaction Survey applications prepared in the official language of each country where our sites are located.		For more detailed information, you can refer to the **Employer and Customer Satisfaction** section.
Water and Wastewater Management	Ineffective management of water and wastewater can lead to increased environmental pollution and rapid depletion of natural resources; this situation may result in legal sanctions, cost increases, and operational disruptions. The sensitivity of Gap İnşaat in maintaining the highest environmental standards for conserving water resources and transferring them to future generations may be adversely affected, causing it to fall behind its sustainability goals and create long-term financial, environmental, and social risks.	Enhancing brand quality, reputation, reliability, and value, Ensuring business continuity, Lowering costs, Increasing awareness of environmental sustainability, Conserving natural resources and biodiversity,	To minimize our impact on water resources, we conduct Environmental Impact Assessments (EIAs), reviewing the condition of water basins during the EIA process and continuously monitoring these resources with Environmental Monitoring and Measurement Plans throughout the project. We treat our wastewater with packaged treatment systems when necessary and discharge it into areas permitted by relevant authorities after bringing it to legally compliant values.		For more detailed information, you can refer to the **Water and Wastewater Management** section.

Our Material Topics	Potential Impact of Our Material Topics	Primary Effect of the Relevant Material Topic on Our Company	How We Manage It?	Our Contribution to SDGs	Relevant Section
Local Employment and Interaction with Local Communities	Local employment and interaction with the local community, if not managed correctly or if there are inadequacies in the process, can lead to significant reputation damage for Gap İnşaat. Damaged trust with the local community can lead to project delays, cost increases, and reputation loss, endangering both its societal legitimacy and operational continuity.	Enhancing brand quality, reputation, reliability, and value, Ensuring business continuity, Lowering costs, Strengthening corporate culture, Reinforcing corporate risk management	We adopt supporting local development and focusing on social impact in the regions where we conduct our projects as a priority goal. We prioritize local suppliers in all areas from personnel needs to material and service procurement.	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES	You can find more detailed information in the **Local Employment** and **Interaction with Local Communities** section.
Quality and Corporate Trust	Ineffective management of quality and corporate trust can negatively impact Gap İnşaat's reputation in both domestic and international markets. Non-compliance with quality standards can lead to delays in project deliveries, technical errors, and increased costs. Erosion of corporate trust can result in loss of confidence in employer and stakeholder relationships, missed new business opportunities, and revisions or cancellations in existing contracts. Such incidents may cause Gap İnşaat to lose its competitive advantage in the industry and damage its position as a reliable solutions partner.	Enhancing brand quality, reputation, reliability, and value, Ensuring business continuity, Lowering costs, Strengthening corporate culture, Reinforcing corporate risk management, Strengthening our monitoring and control capabilities, Supporting time and workforce planning,	We view quality and corporate trust as fundamental elements of sustainable success. In all our projects, we work with procedures structured in accordance with international standard quality management systems. We continuously review all our business processes from engineering to commissioning and raise the bar for quality by integrating best practices and innovative solutions.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS	You can find more detailed information in the **Quality and Corporate Trust** section.

Our Material Topics	Potential Impact of Our Material Topics	Primary Effect of the Relevant Material Topic on Our Company	How We Manage It?	Our Contribution to SDGs	Relevant Section
Competent Human Resources	Ineffective management of competent human resources can negatively affect Gap İnşaat's operational efficiency, project quality, and sustainable growth capacity. Failure to employ personnel with appropriate qualifications may result in increased workforce turnover rate, loss of corporate knowledge, and time-cost deviations in projects. Effective management of competent human resources can have positive results on realizing prominent projects in the industry, retaining qualified personnel, and achieving long-term corporate sustainability goals.	Enhancing brand quality, reputation, reliability, and value, Strengthening corporate culture, increasing employee competence and agility, Enhancing employee welfare and engagement, Supporting cost, time, and workforce planning, Ensuring business continuity,	We aim for sustainable success by investing in expert and competent human resources. We conduct our recruitment processes with fair and equitable principles, in full compliance with legal regulations. We support employee development with regular training, offering mentorship programs and benefits for career growth and employee welfare.		You can find more detailed information in the **Competent Human Resources** section.
Natural Resource Management	Ineffective and irresponsible management of natural resources can lead to increased environmental damage, destruction of ecosystems, and the failure of Gap İnşaat's sustainable construction practices. These issues can reduce project efficiency, increase negative environmental impacts, and lead to significant long-term economic and social problems.	Conserving natural resources and biodiversity, Reducing our negative impact on climate change and our greenhouse gas emissions, Increasing awareness of environmental sustainability, Ensuring control over costs, Strengthening our monitoring and control capabilities, Supporting time and workforce planning, Enhancing brand and reliability value	Starting from the project planning phase, we meticulously conduct environmental impact assessment (EIA) processes and identify and minimize the environmental impacts of our projects in advance. We implement technological solutions and sustainable material choices to use resources like water, energy, and fuel efficiently. To protect biodiversity in project areas, we prioritize the continuity of habitats and the preservation of natural and green spaces.		You can find more detailed information in the **Natural Resource Management** section.

Our Material Topics	Potential Impact of Our Material Topics	Primary Effect of the Relevant Material Topic on Our Company	How We Manage It?	Our Contribution to SDGs	Relevant Section
Access to Financing Resources	Restricted or uncertain access to financing sources can pose serious operational and strategic risks for companies executing large-scale and long-term infrastructure projects. For firms like Gap İnşaat, which operate internationally and engage in high-capital projects, disruptions in financing flow can lead to delayed project completion, deteriorated cash flow, delayed supplier payments, reduced credit rating scores, and ultimately a decrease in company reputation and investor confidence.	Enhancing brand quality, reputation, reliability, and value, Ensuring business continuity, Reinforcing corporate risk management, Supporting cost, time, and workforce planning	In a period of increasing global economic uncertainties and financial risks, we consider access to financing sources a strategic priority. We ensure the effective use of financial resources and their integration into company strategies, evaluating new investment opportunities.		You can find more detailed information in the **Access to Financing Sources** section.
Operational Risk Management	Ineffective management of operational risks can lead to delays in project completion, unexpected cost increases, and decreased quality standards. This can negatively impact the company's financial performance, resulting in additional costs and damages. Uncontrolled increase in operational risks can result in the failure to achieve strategic goals, process disruptions, and negatively affect corporate sustainability performance.	Enhancing brand quality, reputation, reliability, and value, Ensuring business continuity, Reinforcing corporate risk management, Supporting cost, time, and workforce planning	At Gap İnşaat, we structure operational risks as part of corporate management systems. We identify risks encountered in projects through comprehensive analysis and prioritize them by evaluating their impacts and likelihood. We develop strategies such as mitigation, transfer, acceptance, or avoidance for identified risks. With the objective of seamless progress in processes, we support risk management processes with regular monitoring, internal audits, and performance indicators. Thus, we prevent operational disruptions and ensure project quality and business continuity.		You can find more detailed information in the **Operational Risk Management** section.
Supplier and Logistics Management	Ineffective management of supplier and logistics processes can jeopardize the timely completion of projects, leading to increased costs, quality losses, and customer dissatisfaction. Incompatible suppliers may cause ethical violations, environmental damage, and human rights abuses. Disruptions in logistics coordination can lead to work stoppages at project sites, resource wastage, and operational inefficiency.	Enhancing brand quality, reputation, reliability, and value, Strengthening corporate culture, Improving customer satisfaction, Supporting cost, time, and workforce planning, Ensuring business continuity, Contributing to environmental and sustainability efforts, Supporting the transition to a circular economy	We evaluate all suppliers through Çalık Holding's SLC (Supplier Lifecycle) and Proposal Module, making selections based on quality documents, sectoral certifications, and ethical compliance criteria as part of our compliance processes. We prioritize local suppliers to provide economic benefits. We conduct regular audits to guard against risks of child labor, human rights violations, and environmental harm.		You can find more detailed information in the **Supplier and Logistics Management** section.

STAKEHOLDER COMMUNICATION

Relevant Stakeholder Group	Announcement of Our Stakeholder Group	Expectations of Our Stakeholders	How Do We Meet?	Communication Method	Communication Frequency
Employees	Gap İnşaat Employees and Personnel Working in Affiliated Projects	Safe working environment, fair compensation, career development, communication	Training, internal audit, surveys, notification channels	Website, social media, training platforms, surveys, ethics line, phone, e-mail, on-site visits and face-to-face/online meetings	Continuously, once a year, at certain intervals
Customers	Project Owners, Public and Private Sector Investors, etc.	Timely delivery, quality, transparency, profitability	Reporting, regular meetings, feedback processes	Annual reports, sustainability and audit reports, ethics line, communication form, phone, e-mail, on-site visits and face-to-face/online meetings	Needs-based, at the beginning/end of projects
Business Partners	Suppliers, Subcontractors, Consultants, Logistics Companies, Financial Institutions, Banks, Audit Companies, International Regulatory Bodies	Ethical business relationships, compliance with contract terms, and communication	Contracts, supplier systems, informative meetings	Portal systems, trainings, ethics line, communication form, supplier guide	Continuously, in certain periods
Social Stakeholders	Local Communities, NGOs, Media	Social contribution, transparency, local employment	Social projects, communication, media relations	Social media, meetings, news, Integrated Annual Reports	Continuously, at certain intervals
Public Institutions	Governments, Ministries, Local Organizations, Universities and Academic Institutions, Tax Administrations	Legal compliance, environmental compliance, project reporting	Official correspondences, audits, follow-up of legislation	Official correspondences, meetings, panels	At certain intervals and depending on legislation
Shareholders	Shareholders, Partners	Financial performance, sustainability, risk management	Reporting, PDP disclosures, strategic presentations	Annual reports, sustainability and audit reports	Needs-based
Holding Subsidiaries	Other companies of the Holding that Gap İnşaat is affiliated to (energy, finance, textile, etc.)	Group synergy, cooperation opportunities, information sharing	Joint projects, regular meetings, strategy sharing	Joint corporate platforms, meetings, e-mail, reports, ethics line, phone, e-mail, on-site visits and face-to-face/online meetings	Continuously, in certain periods and project-based

GAP İNŞAAT

ENVIRONMENT

ENVIRONMENTAL FOOTPRINT

The 2023 Emissions Gap Report published by the **United Nations Environment Programme (UNEP)**[12] highlighted a significant inconsistency between current emission reduction commitments and the 1.5°C temperature increase target, estimated an average temperature increase of 2.5°C by the end of the century if current policies continue, and showed that taking urgent and decisive action in the combat against climate crisis is an absolute necessity. As climate change is not only an environmental issue but also essential for the quality of human life and a sustainable future, it is critically important for the entire world to review its emission reduction commitments and take action to protect the 1.5°C target.

We operate in an industry that impacts global climate change,increases our motivation to reduce our environmental footprint, which ranks among our material topics in the materiality analysis we conducted. We shape our strategy for reducing our environmental footprint around energy, emissions, waste, water and natural resource management.

In emissions management, we make regular and comprehensive calculations with our consultants in line with our efforts to reduce our greenhouse gas emissions. We calculate and analyze our Scope 1, Scope 2 and partially Scope 3 emissions, thus identifying our improvement areas in consideration of emission increases due to project growth.

We implement the necessary measures to increase our energy efficiency and reduce consumption to the lowest level possible as part of energy management, which is another component our motivation to reduce our environmental impact. By choosing energy-saving systems at our project sites and paying attention to using renewable energy sources that produce lower carbon emissions, we both reduce our costs and contribute to the sustainability of natural resources.

Water and natural resource management are critically important in our sustainability journey. We aim to minimize consumption by using water resources in an efficient way and implement conscious practices accordingly, thus supporting water conservation during our operations as well as reducing our environmental impact.

We analyze the environmental elements we contact with in all processes at our Head Office and in our projects to determine our environmental footprint accurately and carry out relevant comprehensive studies. Within the scope of the **ISO 14001 Environmental Management System**, we regularly assess legislative requirements in Türkiye and other countries where we operate and identify improvement areas for our processes.

To accurately analyze the environmental impacts of our projects, we perform Environmental Aspect and Impact Analyses along with Risk and Opportunity Assessments. We also provide all employees with regular trainings to raise awareness on environmental and sustainability issues and share up-to-date information with our HSE-Q Bulletins.

12. https://wedocs.unep.org/bitstream/handle/20.500.11822/43922/EGR2023.pdf?sequence=3&isAllowed=y

2024 HSE-Q Bulletins: Environment

Environmental consciousness themed bulletins were published and raised awareness on the topics as the meaning of World Environment Day, the collection and recycling processes of waste batteries, individual and corporate recommendations for reducing the carbon footprint, water efficiency and water footprint.

GAP İNŞAAT HSE-Q Bulletin October 2024

What is Carbon Footprint?

The carbon footprint is the carbon dioxide equivalent of greenhouse gas emissions, which reflect the damage humans cause to the environment through their emissions.

The carbon footprint consists of two main components: the direct (primary) footprint and the indirect (secondary) footprint. The primary footprint measures the direct CO2 emissions from the combustion of fossil fuels, including household energy consumption and transportation (e.g., cars and airplanes). The secondary footprint measures the indirect CO2 emissions associated with the entire life cycle of the products we use, their manufacture, and ultimately their degradation.

Karbon Ayak İzi

Recommendations for Reducing Your Carbon Footprint

Reducing individual carbon footprints:

- Using thermal insulation in homes,
- Using resources such as electricity and water efficiently,
- Improving eating habits,
- Preventing unnecessary consumption.
- Not sending unnecessary emails can be an action suggestion that reduces individual carbon footprints.

Corporate carbon footprint reduction:

- Achieving energy efficiency,
- Reducing the environmental impact of products throughout their life cycle,
- Effective waste management.

Carbon Footprint SDG Relationship

Of the UN Sustainable Development Goals (SDGs), 13 (Climate Action) are directly related to the management of climate change mitigation.

The Carbon Footprint has recently become a climate indicator. It's one of the parameters companies use directly to explain the pollution they create through their operations.

UNFCCC

Reminders

It's important to remember that our bodies, largely composed of carbon, and all our activities ultimately create a carbon footprint.

Environmental issues, one of the three main pillars of sustainability, involve controlling the negative impacts directly resulting from our activities and implementing engineering and management activities to correct, clean, and rehabilitate affected areas.

We must remember that adjusting our consumption habits, taking into account the stages the products we produce go through before reaching you and their journey after you dispose of them, is a small but significant step toward controlling climate change.

What is the carbon footprint of an email?

What do we need to send an email?

A PC or smartphone, an internet connection, and electricity.

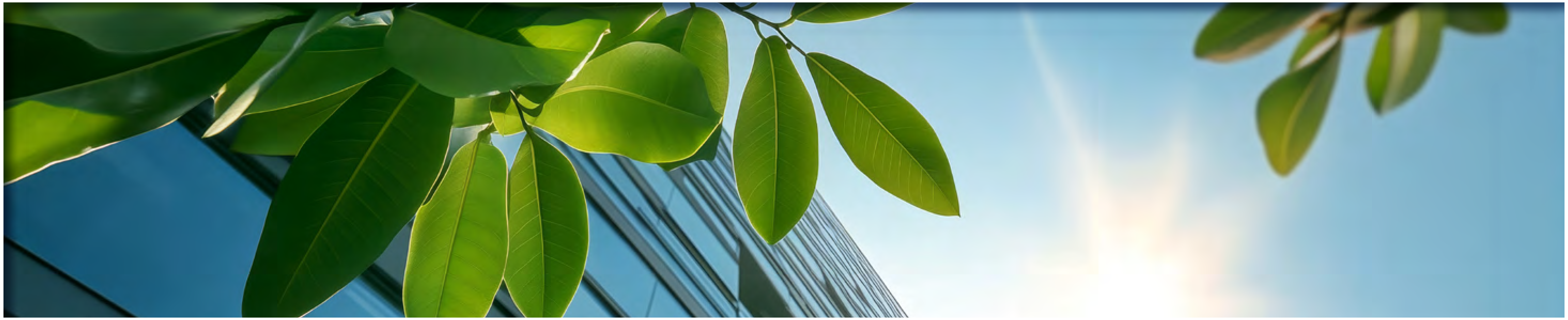
The work involved in generating all of these and providing the necessary equipment to make them ready for use creates a carbon footprint. Let's just consider electricity. For a typical email, this electricity is responsible for 4g of CO2 emissions. If there's an image attachment, it requires extra storage and takes longer to transmit, so the carbon footprint increases to an average of 50g.

Sending an email uses only about 1.7% of the energy of delivering a paper letter, but we're sending more emails now!

For more comprehensive information about our "Health, Safety, Environment and Sustainability Policy", you can visit our **website**. which reflects our management's integrated approach to environmental and sustainability topics.

Environment	World Environment Day
	Battery
	Water Efficiency and Water Footprint
	Carbon Footprint

Climate Change



Published periodically by the World Economic Forum[13], the **Global Risk Report** offers a comprehensive evaluation of critical risks encountered globally. The 2024 report states that especially "failure of climate-change adaptation" and increases in the frequency and intensity of "extreme weather events" may have adverse impacts on both ecosystems and human life.

Türkiye's **"Climate Change Mitigation Strategy and Action Plan (2024-2030)[14]"** gives important warnings regarding the situation when the temperature reaches 3°C. As emphasized in the report, in the event that global average temperatures increase by 3°C, environmental risks such as drought, water scarcity and forest fires will increase significantly in Türkiye, agricultural yields will decline, and ecosystems and biodiversity will be irreversibly damaged. Accordingly, a comprehensive roadmap is offered for our country to ensure the reduction of greenhouse gas emissions.

In the light of all these developments and actions around the world and in Türkiye, Gap İnşaat takes steps with the awareness that everyone is responsible for reducing our negative impact on the environment and leaving a livable world for future generations. We carefully address our activities related to natural resource utilization and our improvement areas. By keeping up with the latest technologies, we are committed to improving energy efficiency in our sector and ensuring that our operations consume the lowest possible level of energy.

Within the framework of our Environmental Management Procedure, we carry out activities on waste management, natural resource utilization and prevention of air and noise pollution. We also actively continue our efforts to reduce waste and minimize air pollutant emissions. Accordingly, we perform retrospective data analyses and implement a comprehensive evaluation process to identify sources of waste and emissions.

As part of Sustainability Management and climate change mitigation activities, our efforts to measure and track our carbon footprint are carried out by our Environment and Sustainability section. We regularly calculate carbon footprint every year. In this context, our Scope 1 emissions are direct greenhouse gas emissions from our annual activities; Scope 2 emissions are indirect greenhouse gas emissions arising from purchased electricity, and Scope 3 emissions are indirect greenhouse gas emissions such as "waste, flights and personnel shuttle".

Our emissions for 2024 were calculated based on data from Istanbul Head Office, Taksim 360 project and Qatar project as well as 2 campuses and 7 projects in Turkmenistan. According to the results of our calculations for 2024, our Scope 1 emissions increased by 16% while Scope 2 and Scope 3 emissions reduced by 26% and 15% respectively, compared to 2023.

13. https://www.weforum.org/publications/global-risks-report-2024/
14. https://iklim.gov.tr/db/turkce/icerikler/files/%C4%B0klim%2Plan%C4%B1%20(2024-2030).pdf

In the analyses based on 2023 data, it was seen that the increase in Scope 1 emissions was directly related to the growth in our activities. Especially in 2024, the busiest periods of manufacturing processes coincided with the time frame when all three projects were progressing most actively, leading to an increase in labor and equipment usage, and directly causing a rise in greenhouse gas emissions from our own activities. In addition, a significant reduction was achieved in Scope 2 emissions thanks to the positive impact of our efforts to reduce energy consumption and promote efficient electricity use in our projects. Although we have made progress in reducing Scope 3 emissions in relevant categories, we will continue to use our annual carbon footprint calculations as an important data source for planning our activities more efficiently.

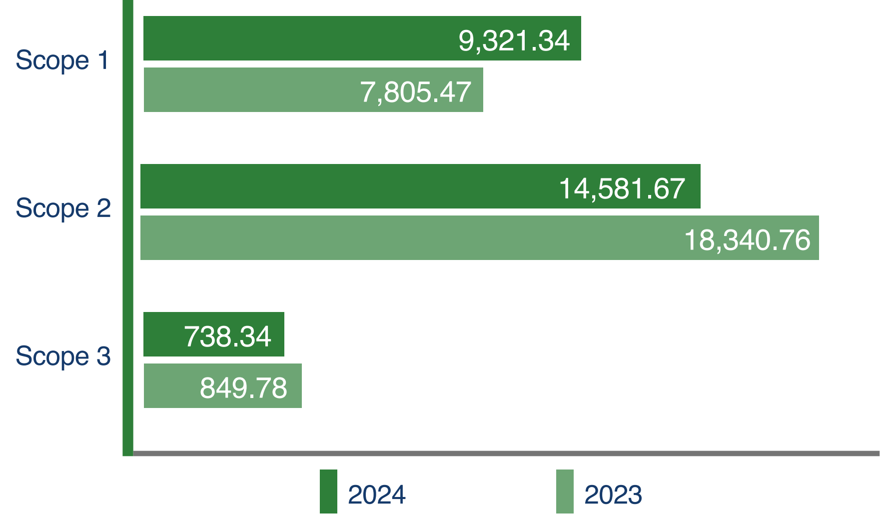
Thanks to the awareness-raising activities through our internal and external trainings, we continue to calculate our carbon footprint more accurately and realistically by obtaining more reliable and transparent data at every stage. The key targets of our sustainability strategy include accurate determination of the activities that contribute to our carbon footprint, and replacement of these activities with lower-emission alternatives and improvement measures. In this respect, we provide guidance on reduction practices and other actions we can implement through the consulting services offered by our central organization. In addition, we conduct risk and opportunity analyses specific to each project before commencement to ensure effective management of relevant environmental factors. We aim to keep risks to a minimum and leverage the opportunities identified throughout the project. In this way, we ensure that the project is implemented in compliance with the ISO 14001 Environmental Management System standard.

These steps taken with the awareness of outcomes of climate change are pillars of our vision of building a sustainable future. With this perspective, we continue to reduce our environmental impacts and add value to the ecosystem.

Greenhouse Gas Emissions	Unit	2023	2024
Scope 1 (direct) greenhouse gas emissions	tonne CO_2e	7,805.47	9,321.34
Scope 2 (indirect) greenhouse gas emissions	tonne CO_2e	18,340.76	14,581.67
Scope 3 (indirect) greenhouse gas emissions	tonne CO_2e	849.78	738.34

2024 Scope-Based Carbon Footprint

2023-2024 Carbon Footprint Data (tCO_2e)



Energy Management

Increasing regulations, efficiency metrics, and sustainability commitments in global markets have placed greater pressure on companies to fulfill environmental responsibilities effectively. Implementing energy efficiency and savings-focused projects is crucial for increasing businesses' competitive strength and aligning with international sustainability standards in the fight against climate change.

All these developments make the adoption of BIM (Building Information Modelling) inevitable for companies operating in the construction sector. BIM technology offers an integrated solution for optimizing energy use at the project start, thereby enhancing energy efficiency and reducing carbon emissions throughout a building's life cycle.

Our Senior Management’s commitment to continually improving our energy performance was evaluated as a positive aspect in the 2024 HSE Process Risk Analysis.

As a project-based company, we choose energy options suitable for our energy usage networks and country conditions. Our efforts to enhance energy efficiency include using energy-efficient bulbs in our office buildings' lighting systems, preventing unnecessary energy consumption with automatic lighting shut-off devices, prioritizing the selection of high energy-efficiency equipment, and conducting activities to raise employee awareness on energy efficiency.

In collaboration with our employees, we integrate energy efficiency as a natural part of our business practices; we continually monitor our energy performance and regularly assess compliance with internal targets.

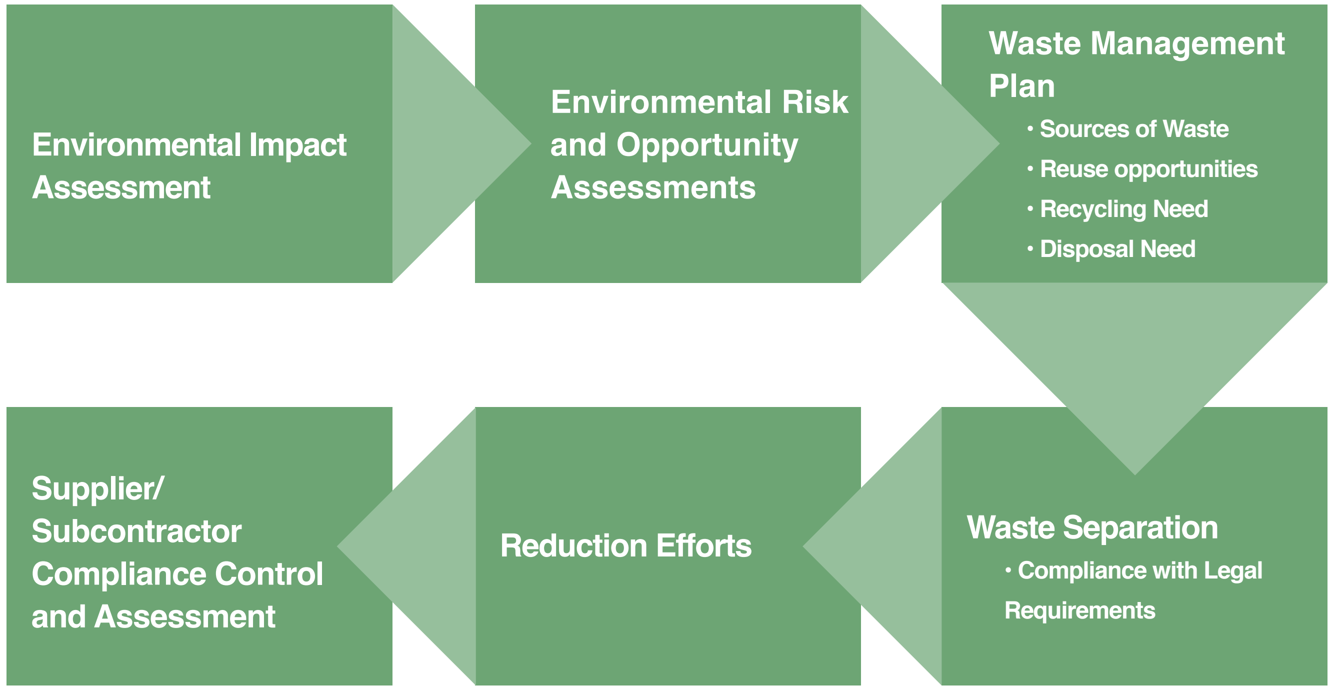
Energy Management	Unit	2022	2023	2024
Electricity	kWh	3,190,636.00	7,626,038.72	16,557,859.63
Natural gas	kWh	1,843,082.08	592,996.46	263,614.73

Waste Management

Within waste management, we manage our waste according to the goals set by our HQ HSE-Q Unit and projects, in line with the Environmental Management Procedure and applicable legislation in Türkiye and project countries. Moreover, we ensure that all our employees receive training on waste management and we encourage the adoption of the globally recognized **Waste Management Hierarchy** by all staff.

Preventive Waste Management Practices

We conduct various initiatives to prevent waste generation. When waste cannot be eliminated, we aim to minimize its quantity. Within this scope, we create a Waste Management Matrix to list different types of waste and their quantities in detail. By analyzing areas where waste arises, we identify potential waste generation points. We conduct Environmental Risk Analysis studies at these points to minimize potential risks.



Under the framework of **Waste Separation and Recycling**, we continue waste sorting throughout all areas in the Çalık Holding building where our head office is located, as part of our Zero Waste Certificate. We also conduct evaluation and implementation studies regarding opportunities and obligations for the waste management hierarchy across all our projects. In accordance with the Waste Management Regulation and related legislation, we prioritize the separation of hazardous and non-hazardous waste on our project sites to support our environmental protection goals and contribute to more effective waste management. We strive to **minimize our hazardous waste** by controlling the use of chemicals and petroleum products and by preventing wastage and pollution. In our existing warehouses and workshops, we focus on reuse opportunities for these materials in line with the waste hierarchy.

Facilitating the **reuse of materials and waste** in current conditions is critically important to reducing our environmental impacts. On our project sites, we make significant efforts to transport packaging waste to recycling facilities and convert this waste back into raw materials, contributing to the circular economy. In addition, we aim to ensure energy recovery from waste and properly implement the waste hierarchy by promoting the reclamation of suitable fuel types.

To enhance **Supplier Compliance**, we manage our sensitivity towards Waste Management to include our suppliers. We expect our suppliers to hold an ISO 14001 Environmental Management System certification and value their possession of ISO 50001 Energy Management System certification. Based on various criteria for projects, we scrutinize their environmental management-related documentation.

With our effective waste management approach, we continuously increase our sensitivity towards recycling and reuse. We track data on plastic and paper recycling amounts within the company. Through awareness campaigns and environmental trainings, we encourage employees to use their personal cups and thermoses to reduce the use of plastic cups and bottled water, gifting new employees their thermoses for this purpose. Furthermore, to prevent paper waste, we implement a coded entry and secondary authorization system on printers to avoid unnecessary printing. We also digitize document revision processes, minimizing the need for paper usage, and continue to operate our processes paperless. We adopt all these practices in our head office and projects, aiming to strengthen our Environmental Management System applications, take more decisive and reliable steps in waste management, and reduce our carbon footprint to mitigate our impact on climate change.

As a result of all the efforts undertaken, we successfully reduced our total waste amount from 507.13 tonnes in 2023 to 289.45 tonnes in 2024.

Waste Managment	Unit	2022	2023	2024
Total amount of hazardous waste	tonne	0.10	0.72	0.95
Total amount of non-hazardous waste	tonne	996.00	506.41	288.50
Total Waste Amount	**tonne**	**996.10**	**507.13**	**289.45**

Head Office	Unit	2022	2023	2024
Recycled plastic amount	tonne	0.12	0.04	0.50
Recycled paper amount	tonne	0.34	0.03	0.84

Water and Wastewater Management

According to the 2023 World Water Development Report[15], the adverse effects of climate change on the water cycle and global challenges in accessing water demonstrate the need to use our resources more efficiently. The report highlights the importance of collaboration and multi-stakeholder partnerships for the sustainable management of water resources. The need for companies to take steps to optimize water usage, prioritize water resource protection, and implement innovative water management solutions is emphasized in sustainability strategies.

As Gap İnşaat, we operate with the awareness of protecting our water resources. We actively work to ensure efficient water use and minimize water consumption in all our projects and prioritize efforts in this direction.

Before initiating our projects, we conduct comprehensive risk analysis studies to protect water resources and prevent pollution. We take necessary precautions to safeguard surface and groundwater resources in and around our project areas, aiming to minimize our negative impacts on ecosystems. To optimize water usage during the construction phases, we constantly monitor our consumption levels, categorizing consumption as drinking and utility water, and continue efforts to reduce consumption in both areas.

At our head office and in the living spaces created for projects, we use sensor-operated water taps to ensure that only the necessary amount of water is used as needed. This contributes to water savings and enhances our environmental sensitivity.

Environmental Impact Assessment and Water Use

To minimize our impact on water resources, especially in rural and forested areas or within water ecosystems, we conduct detailed Environmental Impact Assessment (EIA) studies before carrying out projects. During the EIA process, the condition of water basins is examined, and these resources are continuously monitored throughout the project duration using Environmental Monitoring and Measurement Plans. When necessary, we enhance wastewater with package treatment systems to bring it to legally compliant values and discharge it into areas permitted by relevant authorities.

Social Consensus and Sustainable Water Use

For the sustainable management of our water resources, we engage in consultations with local communities and relevant public institutions in our operating geographies to reach mutual agreements on water resource usage. We do not withdraw water from areas where fishing is conducted and take care to protect water in these locations. In determining the amount of water needed for dust control and other processes during construction, we carefully assess the condition of local water resources. Once the water requirements are clarified, we collaborate with residents and relevant institutions within the environmental impact assessment processes. Following the completion of water use permits and agreements, we commence using water within the established limits.

By maintaining our water and wastewater management processes at the highest environmental standards, we will continue to work meticulously to protect water resources and pass them on to future generations. Although our water usage shows an upward trend due to increased project numbers in 2024 compared to the previous year, we will continue our efforts to reduce water consumption with the same sensitivity.

Head Office	Unit	2022	2023	2024
Total Water Consumption	m^3	133,547.90	106,778.17	4,698,212.39

15. https://unesdoc.unesco.org/ark:/48223/pf0000384655

Natural Resource Management

Natural resource management, critical to minimizing our environmental impacts, forms the cornerstone of our sustainable construction practices. The effective and responsible use of natural resources enhances the success of our projects while contributing to environmental protection. Accordingly, we meticulously conduct environmental impact assessment (EIA) processes, identifying and analyzing the potential environmental impacts of our projects. EIA studies comprehensively evaluate aspects such as project type, area of impact, and potential environmental impacts. A careful approach is adopted from the commencement of project management processes, through the analysis of the current state of the natural environment, impact assessment, to reporting phases. This ensures the sustainability of our projects while fulfilling our responsibility towards the natural environment.

We take measures in our project areas to protect natural resources, including water resource management, waste reduction and recycling, choosing clean energy providers, and ensuring energy efficiency. By using these resources effectively, we minimize water usage in construction processes, prevent increased pollution by collecting rainwater in separate channels, and assist in the preservation of natural resources by using rainwater for viable areas.

In addition to using technologies that ensure energy efficiency, we prefer sustainable and recyclable materials in efforts to reduce our waste rates. All these applications not only reduce our environmental impact but also allow us to lower operational costs.

Aware of the critical importance of biodiversity for ecosystem health, we operate with consideration for potential negative impacts of our construction projects on local flora and fauna. We take special measures to protect biodiversity during the planning stage. The preservation of natural habitats in project areas is critical for the continuity of species' living spaces, and the conservation of green spaces and natural reserve zones is vital for maintaining ecosystem balance.

In all our endeavors, we place great emphasis on natural resource management to mitigate our impact on sustainability and environmental issues. In this regard, we apply the right strategies in our activities to strive towards minimizing our environmental impacts while strengthening our corporate reputation. This holistic approach not only enhances the success of our projects but also plays a crucial role in securing the sustainability of our future.

GAP İNŞAAT

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

In all geographies we operate as Gap İnşaat, our priority is to ensure that our employees are not exposed to any direct or indirect harm due to their work, and that they are able to carry out their duties in a healthy and safe working environment and return home safely. We consider occupational health and safety (OHS) as an essential and indispensable part of our business. In order to create a healthy and safe working environment throughout our value chain, we take all necessary measures and continue our activities with determination.

We addressed OHS as one of our top priorities in 2024, as in previous years, closely followed relevant legal requirements and ensured full compliance with legislation and regulations. We carried out our activities in accordance with the **ISO 45001 Occupational Health and Safety Management System** as well as relevant environmental and OHS legislation. Our commitment in this field is underpinned with our Health, Safety, Environment and Sustainability Policy, which is a high-level policy guiding Gap İnşaat's management systems and practices.

We evaluate our OHS performance in quarterly Board of Directors meetings and Annual Management Review meetings under the leadership of our senior management, where we review our performance indicators and identify continuous improvement areas. In 2024, we reinforced the commitment of both senior management and employees at all levels and locations to this policy with the guidance of Gap İnşaat's corporate values by prioritizing the Health, Safety, Environment and Sustainability approach within the scope of OHS. The strong commitment of Gap İnşaat's senior management and all employees to this policy constitutes the cornerstone of our journey towards becoming a safe, environmentally responsible and operationally excellence-driven organization in line with our corporate sustainability targets. For more comprehensive information about our Health, Safety, Environment and Sustainability Policy, you can visit our **website.**

We conduct all our operations with the "zero accidents" target to keep our OHS performance at the highest level. We conduct regular site audits, trainings and improvement activities to minimize risks. In the event of a potential work accident, we conduct root cause analyses, develop corrective action plans, and systematically monitor on-site implementation of these actions. We address delays within our management bodies, identify their root causes, and continue improvement efforts accordingly. To prevent reoccurrence of similar incidents, we raise awareness across the organization by proactively sharing the insights obtained with all our projects and units. We plan and implement all our activities in line with the principles of protecting life and minimizing environmental impact. We identify HSE and sustainability targets and adopt a continuous improvement approach to achieve these targets.

We monitored critical OHS and environmental performance indicators such as hazard identification, risk analyses and adequacy of existing control measures with **1,111 field inspections** conducted throughout the year. Thanks to these audits, immediate action was taken for non-conformities observed in our operations, continuous improvement opportunities were evaluated, and the effectiveness of the measures was verified.

With our OHS- and environment-focused approach, we commit to minimize potential adverse impacts on our assets and environment, not only for our employees but also for our clients, subcontractors, suppliers and all other stakeholders.

As Gap İnşaat, we continued to manage risks effectively by through comprehensive analysis of all potential hazards that may arise during our operations, along with their environmental and social impacts in 2024. In this process, we adopted the **“risk-based approach”** principle emphasized in the ISO 45001:2018 Occupational Health and Safety Management System standard. By conducting risk assessments specific to each project, we pro-actively implemented measures in line with our risk management hierarchy for the risks we identified.

We monitored the effectiveness of our OHS management system with regular internal and external audits throughout the year. After the comprehensive audits carried out at the end of 2024, improvement opportunities were identified across the system. Specifically, identifying specific training needs and implementing training programs in line with these needs were realized as material actions. We also managed our subcontractor and supplier relationships with the same care. In this context, we conducted compliance audits to ensure that all stakeholders we work with provide services in line with OHS criteria.

In compliance with the Occupational Health and Safety Law No. 6331, which classifies Gap İnşaat in the **"very dangerous"** category, we conduct all our activities in full accordance with the requirements of the legislation. By organizing monthly OHS Board meetings at our head office and project sites, we evaluate our Health, Safety, and Environmental performances for the relevant period and shape our decision-making processes by considering the views and feedback received through “employee representatives”.

We classify the activities we conduct according to the following conditions:

- **Routine**
- **Non-routine**
- **Emergency**

Within this classification, activities conducted at varying intervals or periodically, such as maintenance and repair, are also evaluated. OHS Risk and Opportunity Assessment, Environmental Risk and Opportunity Assessment, and Monitoring and Measurement Tracking Lists are created for all these processes. These lists are monitored by our HSE-Q Department in our Head Office and the HSE sections on our projects.

As a result of the studies conducted throughout the year, additional measures were taken for all risks identified at an "unacceptable" level of importance. The implementation of these measures was effectively managed by the related project and head office teams.

Risk assessment studies actively included:

- **Senior management,**
- **Employer representatives,**
- **Relevant unit managers,**
- **Subcontractor representatives.**

In addition, the inclusion of employees in hazard identification and risk assessment processes was among our primary goals.

Recognizing that training is a fundamental element in developing the technical competence and OHS perspective of our employees, we organized comprehensive training programs that are not solely limited to legal requirements but also cover specific needs of our employees.

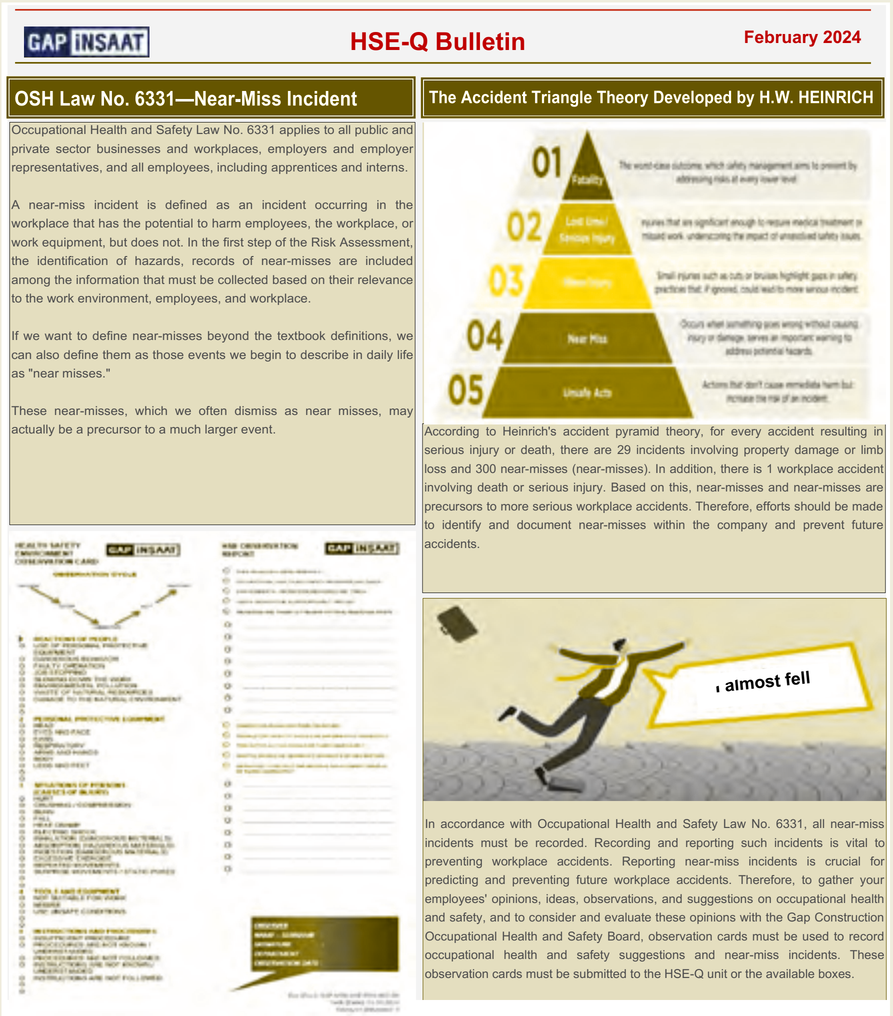
The training process begins with OHS orientation training provided to new personnel. It continues with site-specific training for their respective duties and regularly repeated technical training. These training sessions are delivered by our competent internal and external trainers.

Additionally, the HSE-Q Department in our Head Office prepared specific OHS training plans tailored to the scope of each project and implemented these plans with the relevant teams in 2024. These training programs also included drills for emergency scenarios.

To raise awareness about OHS, we regularly shared the HSE-Q Bulletin with our office and field employees. Through this effort, we aimed to enhance the contribution and awareness of all our stakeholders towards the OHS culture.

2024 HSE-Q Bulletins: OHS

An OHS bulletin was published on the importance of “near-miss” incidents in preventing work accidents.



HSE-Q Bulletin

February 2024

OSH Law No. 6331—Near-Miss Incident

Occupational Health and Safety Law No. 6331 applies to all public and private sector businesses and workplaces, employers and employer representatives, and all employees, including apprentices and interns.

A near-miss incident is defined as an incident occurring in the workplace that has the potential to harm employees, the workplace, or work equipment, but does not. In the first step of the Risk Assessment, the identification of hazards, records of near-misses are included among the information that must be collected based on their relevance to the work environment, employees, and workplace.

If we want to define near-misses beyond the textbook definitions, we can also define them as those events we begin to describe in daily life as "near misses."

These near-misses, which we often dismiss as near misses, may actually be a precursor to a much larger event.

The Accident Triangle Theory Developed by H.W. HEINRICH

According to Heinrich's accident pyramid theory, for every accident resulting in serious injury or death, there are 29 incidents involving property damage or limb loss and 300 near-misses (near-misses). In addition, there is 1 workplace accident involving death or serious injury. Based on this, near-misses and near-misses are precursors to more serious workplace accidents. Therefore, efforts should be made to identify and document near-misses within the company and prevent future accidents.

In accordance with Occupational Health and Safety Law No. 6331, all near-miss incidents must be recorded. Recording and reporting such incidents is vital to preventing workplace accidents. Reporting near-miss incidents is crucial for predicting and preventing future workplace accidents. Therefore, to gather your employees' opinions, ideas, observations, and suggestions on occupational health and safety, and to consider and evaluate these opinions with the Gap Construction Occupational Health and Safety Board, observation cards must be used to record occupational health and safety suggestions and near-miss incidents. These observation cards must be submitted to the HSE-Q unit or the available boxes.

The safety of our employees and the protection of the environment form the foundation of our sustainable success philosophy. With this awareness, we continued our commitment in 2024 to implementing occupational health, safety, and environmental standards at the highest level across all the areas in which we operate.

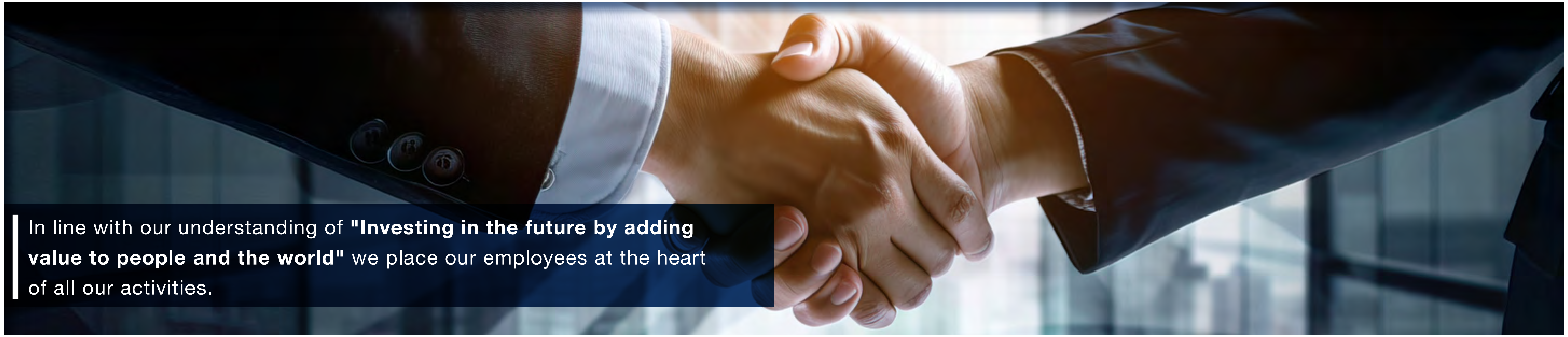
Thanks to systematic improvement efforts carried out throughout the year, proactive risk management approaches, and a strengthened HSE culture with the participation of our employees, the number of work accidents was **reduced by 52%** compared to the previous year; the number of accidents dropped from 23 in 2023 to 11 in 2024.

Occupational Health and Safety Training Hours	Unit	2022	2023	2024
Total training hours given to employees on OHS*	hours	36,439	85,369	157,040
Total Working Hours	hours	11,553,339	15,323,191.5	18,788,108
Number of Accidents	count	11	23	11
Number of Fatal Cases	count	0	0	0
Number of Occupational Diseases	count	0	0	0
Absence Due to Accident	days	39	202	153
Lost Time Injury Frequency Rate (LTIFR)	%	0.07	0.05	0.04

**Our data includes our employees, contractors and subcontractors.*

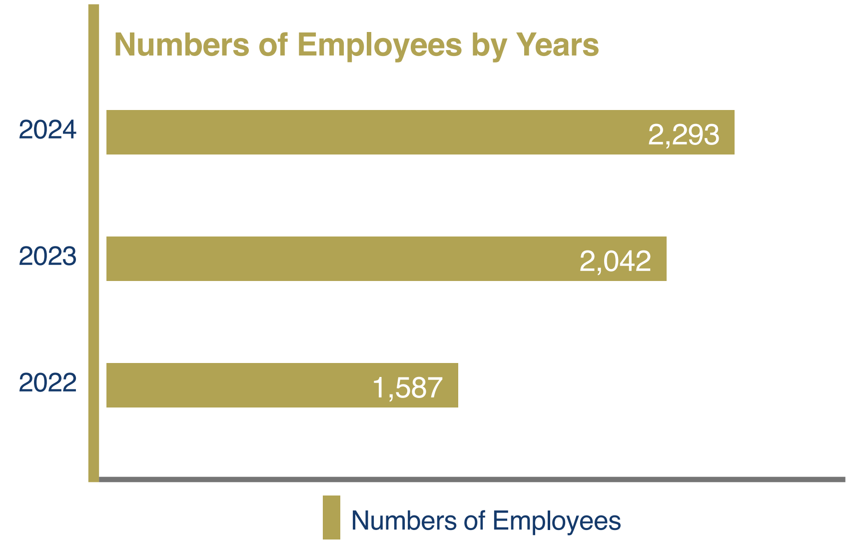
For detailed information, you can visit the **Social Performance Indicators** section of our report.

EMPLOYEE DEVELOPMENT AND WELL-BEING



Through practices that prioritize the physical, mental, and social well-being of our employees, we aim to provide not just a workplace but also a living space that supports development.

In 2024, the total number of personnel working in our head office, overseas offices and projects was recorded at 2,293, reflecting an increase of 12.3% compared to the previous year.



Inspired by Çalık Holding's core values such as "fairness" "people-orientation" and "agility" we are committed to offering equal opportunities to all our employees. We conduct our performance management system based on transparency, and we design our career development and succession plans to best reveal the individual potential of our employees.

We also fully comply with local labor laws and social security legislation and regulations in all the countries where we operate. Thanks to our flexible and agile organizational structure, we quickly adapt to regional needs to support local employment and enhance social inclusion.

In line with our corporate business principles, we build structures that not only meet today's needs but are also ready for the workforce transformation of the future. With this vision, we support the sustainable growth of our company through the development of our employees whose level of well-being we have increased.

"Great Place to Work" Certification

It is with great pride that our approaches prioritizing employee well-being, our socially impactful projects, and our inclusive management approach aligned with our corporate values have earned us the internationally recognized "Great Place to Work" certification.

Participation Rate

%96

%75

Gap İnşaat | Average of the Best Workplaces that Conducted Surveys with GPTW Last Year

Overall Perception (I can say that this is a great place to work overall)

%55

%79

Gap İnşaat | Türkiye's Best Employers 2024

Trust Index© (Average of positive responses to the 60 questions that make up the Trust Index©)

%66

%80

Gap İnşaat | Türkiye's Best Employers 2024

Individual Contribution

%82

Sincerity

%77

Unity

%68

Team Membership

%72

Friendship

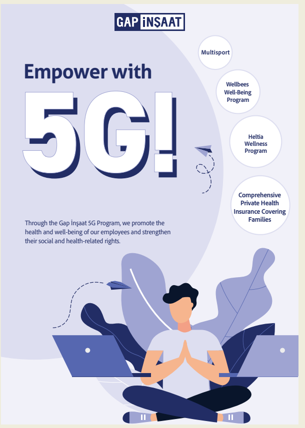
%76

Caring

%67

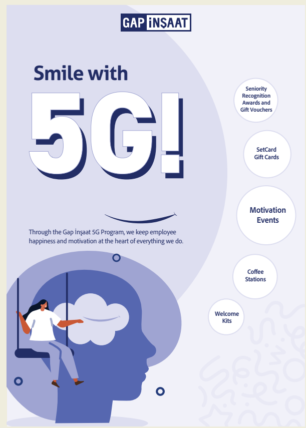
5G - The Name of Happiness at Work*

Through our comprehensive program 5G, The Name of Happiness at Work, which aims to improve employee well-being and the work environment, we unite all employee flexibility programs under the 5G banner. As Gap İnşaat, we prioritize the happiness and motivation of our employees above all else. Within the 5G Program, we aim to support personal and professional development through "development", guide employees toward their career goals through "globalization" and create opportunities for better conditions in all areas through "empower", "smile", and "trust." By realizing the "We're Good with Gap" motto, our project 5G, The Name of Happiness at Work (Empower, Smile, Trust, Develop, Globalize) is structured under five themes to ensure both individual and corporate success sustainably:



Empower with 5G

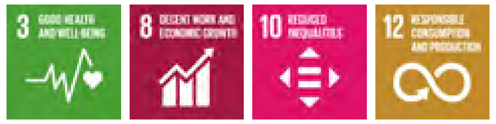
We focus on the physical and psychological health of our employees through services such as the Wellbees Well-Being Program and Avita Employee Support Program, while offering comprehensive health support through the Multisport application, which promotes gender equality, and a special health insurance covering families.



Smile with 5G

We focus on enhancing the sense of belonging and satisfaction at work by rewarding employees and offering gestures such as birthday gifts, motivational events, coffee stations, and welcome kits.

Contribution to the UN Sustainable Development Goals



Trust with 5G

Our on-boarding program and applications that provide support during significant life moments aim to ensure a secure work environment, and we enable idea exchange among employees through our "We Grow with Ideas" meetings.

Develop with 5G

We support the individual and professional development of our employees through various training sessions, seminars, and career programs. We offer opportunities for skill development and personal growth through foreign language programs.

Globalize with 5G

We aim to support career development by offering employees job opportunities abroad while targeting an internationally compliant work environment.

*The term "5G" represents five Turkish words starting with the letter "G" meaning Empowerment (Güçlenmek), Smiling (Gülümsemek), Trust (Güven duymak), Growth (Gelişmek), and Globalization (Globalleşmek), capturing the essence of happiness and progress at work in Gap İnşaat's culture.

Competent Human Resources

We believe that the foundation of sustainable success is a qualified, passionate, and development-oriented human resource. So, we have an organization comprised of strategic, capable, and high-potential employees who can design the future. Our human resources policy focuses on continuous employee development, supporting a sustainable and viable organization, and aims to develop and monitor human resources with HR processes at world standards.

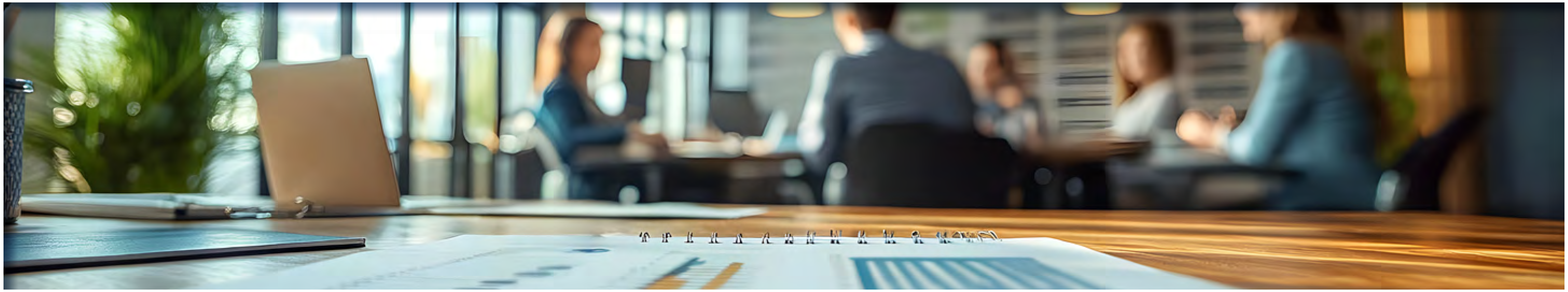
We conduct our human resources processes in line with Çalık Holding's principles of fairness, people-orientation, reputation, wholehearted work, innovation, agility, and sustainability. We value the adoption of these values by all our employees as an integral part of our corporate culture. We believe in the guiding role of these principles in everything we do; **we are building not only today but also tomorrow's workforce.**

To add value to the development journey of each employee who joins our company, we operate with a comprehensive system that includes orientation processes, individual development plans, talent management programs, and internal training academies, incorporating advanced development programs.

We see equal opportunity as a cornerstone of human resource management; we support all our employees with an equitable and inclusive approach without discrimination based on nationality, gender, belief, age, disability, or marital status. We base our decision-making processes on merit, believing that the synergy brought by diversity strengthens corporate dynamism.

Additionally, we implement feedback mechanisms, goal-oriented development plans, and leadership programs to continuously enhance the knowledge, skills, and competencies of our employees. In this context, we transform individual potential into corporate success, contributing to both the career journeys of our employees and the long-term competitiveness of our company.

Age Diversity	Unit	2022	2023	2024
Percentage of employees under 30 years old	%	41.52%	37.71%	44.92%
Female	%	0.69%	1.91%	1.96%
Male	%	40.83%	35.80%	42.96%
Percentage of employees aged 30-50 years old	%	54.06%	50.49%	46.66%
Female	%	0.82%	2.50%	3.23%
Male	%	53.25%	47.99%	43.44%
Percentage of employees over 50 years old	%	4.42%	11.80%	8.42%
Female	%	0.13%	0.15%	0.13%
Male	%	4.29%	11.65%	8.29%



Recruitment Process:

As Gap İnşaat, we conduct our recruitment processes with a fair, transparent, inclusive, and competency-focused approach in every country where we operate. In line with our **"right person for the right job"** principle, we not only emphasize technical competence but also prioritize the candidates' alignment with our values, development potential, and ability to integrate with our corporate culture.

Our recruitment strategies are shaped by the values of Çalık Holding, such as people-orientation, fairness, agility, and sustainability. In all recruitment processes conducted for both our head office and field operations, basic criteria include suitability for the position, competency-based evaluation, the principle of equal opportunity, and compliance with local regulations.

We conduct our recruitment processes in full compliance with the current labor laws and social security regulations of the countries where we operate, both in Türkiye and abroad. For international projects, we adopt country-specific recruitment approaches, considering both Türkiye's and the host country's regulations, to safeguard all legal rights of our employees. We serve as an important bridge for the Turkish workforce to gain experience abroad and on the international stage.

Our recruitment process begins with application and pre-assessment steps. Suitable candidates are invited for one-on-one interviews with our Human Resources department and relevant unit managers. At this stage, we assess whether candidates possess the technical and behavioral competencies required by the position. Advanced analyses are applied to candidates progressing positively in the process using various tools like personality inventories and foreign language tests. Following the evaluation process, formal job offers are extended to shortlisted candidates after completing reference checks.

Candidates who accept our offer officially become part of Gap İnşaat. To support the quick and healthy adaptation of new employees to the organization, a comprehensive orientation program is implemented. Through this program, employees learn about the company's values, processes, organizational structure, and business practices comprehensively, integrating into the corporate culture.

Moreover, with initiatives like the "Welcome Kit" and "Orientation Ambassadors" offered to each new employee on their first working day, we aim to make new beginnings meaningful and strengthen the sense of belonging.

Orientation Training:

Supporting the quick and healthy adaptation of each new employee to our corporate structure is a material target. The orientation program we implement encompasses a holistic process that aims not only to convey basic information but also to engage our employees with our corporate culture.

The orientation process begins on the employee's first day, with a designated Orientation Ambassador. The Ambassador not only facilitates the employee's rapid adaptation but also serves as an important support mechanism to address uncertainties, accelerate social communication, and strengthen the sense of belonging.

The program first introduces the employee to Çalık Holding's vision, mission, and values through the Group Introduction Presentation. Following this, our corporate video titled "Çalık's Smiling Faces", which reflects the value we give to our employees and cultural unity, is shown.

The orientation process specific to the company continues with a comprehensive presentation about Gap İnşaat's organizational structure, areas of activity, and strategic goals.

In the subsequent phase, the organizational chart is presented to the employees, detailing their position within the company. This helps the employee understand their network of business relationships and view the organizational structure from a holistic perspective.

Every new employee participates in Occupational Health and Safety (OHS) training organized in accordance with legal requirements. This training contributes to creating a safe working environment both individually and as a team.

The final stage ensures that employees learn about the organization not only through theoretical information but also by personally meeting with operational departments. Through various introduction and information meetings, the orientation process gains a structure that promotes collaboration beyond knowledge transfer.

The orientation process structured with this holistic approach supports the rapid integration of new employees into the Gap İnşaat culture and their commencement with high motivation.

Number of new hires	Unit	2022	2023	2024
Total number of new hires	#	653	806	829
Female	#	85	44	33
Male	#	568	762	796

The recruitment activities we have conducted over the last two years clearly demonstrate our commitment to expand and diversify our human resources. In 2023, we employed a total of 806 new employees, and this number increased by 3% to 829 in 2024. This significant growth indicates that we have strategically structured our human resources in line with our organizational growth goals. Our comprehensive orientation process enhances the efficiency and productivity of new employees, supporting this qualitative growth.

One of the most striking aspects of this growth has been the increase in the employment of young talents. With the belief that young talents will contribute to corporate dynamism and the future, we view offering them career opportunities not just as employment but as a responsibility. Through our New Graduate Recruitment Program, we increased the number of new graduate employees from just 3 in 2023 to 14 in 2024, marking a significant rise of approximately 367%.

Employee Development

The foundation of long-term corporate success lies in our employees' development, motivation and well-being. As Gap İnşaat, we believe that producing lasting value in the increasingly competitive global business environment depends on the investments we make in our human resources. In this regard, we build a strong team structure by incorporating expert professionals aligned with our company vision and values.

We conduct our recruitment process with transparency and systematically follow the developmental journey of our employees after they join. We organize periodic training programs to support each employee in maximizing their potential. These programs allow for the development of both technical and behavioral competencies.

Within our culture that supports performance growth, we conduct regular interim assessment processes throughout the year and hold feedback-based meetings with employees. In these evaluations, we identify development areas together, considering the alignment of individual goals with corporate strategies. At the end of the year, we consolidate these evaluations to complete annual performance analyses. The results are shared with the Board of Directors, forming the overall performance report card for our company.

This approach not only enhances the individual success of our employees but also directly contributes to the overall efficiency and corporate sustainability of our company. As Gap İnşaat, we progress with the goal of surpassing the previous year during each reporting period, working towards building a stronger future together with our employees.

Performance Management

We conduct a transparent and development-focused performance management process that aligns individual goals of employees with company strategies. This process is carried out entirely in a digital environment through the Digital HR Platform, increasing accessibility and ensuring transparency and fairness in evaluation processes.

The annually conducted goal-based performance evaluation process allows us to analyze the contributions of employees throughout the year based on concrete outcomes. In 2023, 124 employees underwent performance and career development evaluation, and this number increased to 132 in 2024.

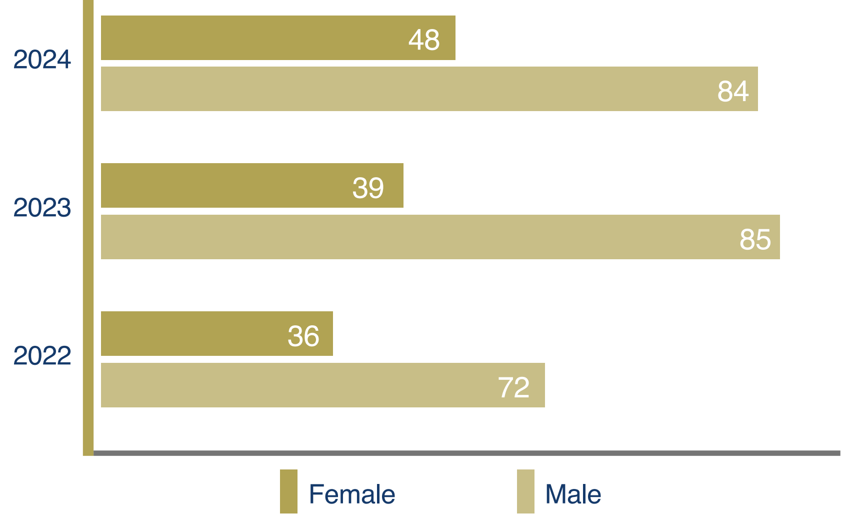
This increase shows that we have expanded the inclusivity of our performance management system across the company and disseminated growth to a wider base. This process not only measures performance but also helps us identify development areas and structure career journeys for our employees.

Through feedback interviews held during interim periods throughout the year, we maintain constant communication with our employees to more effectively determine development plans. These discussions strengthen mutual understanding between managers and team members while supporting motivation and engagement.

Combined with our Talent Management activities, which are an integral part of the performance evaluation process, we maintain this through the same digital platform. By tracking the competencies, potential, and performance data of our employees with an integrated approach, we pro-actively create a talent pool that will shape the future of our company. This allows us to implement leadership development, career planning, and succession strategies more strategically and data driven.

We position our performance management process not just as an evaluation tool but as a system that constantly fosters the development of our employees and contributes to organizational success.

Number of employees subject to regular performance and career development evaluation



Talent Management

To evaluate and develop the competencies of our employees in line with our strategic goals, we execute a comprehensive Talent Management system. This process is effectively managed through our Digital HR Platform, enabling us to monitor the career journeys of our employees from a holistic perspective.

Information regarding the trainings attended by employees, completed certificate programs, and projects involved is collected in the talent management module on our digital platform and is continually updated, accessible to our senior management. Thus, we adopt a data-driven approach that integrates individual development data with corporate performance.

During the Organizational Development and Talent Management process conduct annually across the group, we analyze employees' personality inventory results alongside the performance evaluation data for the relevant year. We utilize a 9-box grid to assess these data, positioning employees based on their potential and performance levels. This system enables us to identify high-potential employees systematically, determine development needs, and create personalized development plans for both current and future positions. By evaluating employees' potential levels together with their performance, we identify areas open for improvement and track development stages through processes involving the employees.

This process also involves identifying critical positions within our organization and developing succession strategies for these positions, thereby providing sustainable human resource management focused on nurturing not only today's but also tomorrow's leaders.

Career Management

We view the realization of career goals by our employees not only as a key to their individual development but also as a cornerstone of our corporate success. In this regard, we adopt a career management approach structured to maximize each employee's competencies and potential.

Throughout their career journey, we prioritize supporting our employees, strengthening corporate commitment, and enhancing motivation. We aim for our employees to acquire competencies in alignment with both their current roles and potential future responsibilities, supported in their development consistent with our corporate culture.

Additionally, through our mentorship program, we ensure our employees plan their careers in an equal and fair development environment. This program aims to sustain the professional development of our employees through experience sharing, guidance, and inspiration.

Remuneration Management

We believe remuneration management to be not just a financial element but also a strategic tool crucial to employee satisfaction, motivation, and long-term corporate success. Our remuneration policy constructed under this understanding is based on fair, competitive, and sustainable principles.

Our remuneration policy for both our domestic and international projects is determined by considering market dynamics and sectoral wage comparisons. All our remuneration processes are conducted within the principle of confidentiality, shaping entry wages and annual wage increases of existing employees according to this policy.

The remuneration increase executed once a year, during specified periods, is decided upon by considering current inflation rates and intra-group evaluation criteria through joint work of the HR unit and relevant department managers. Final approvals for remuneration are given as a result of the evaluation process conducted with these stakeholders.

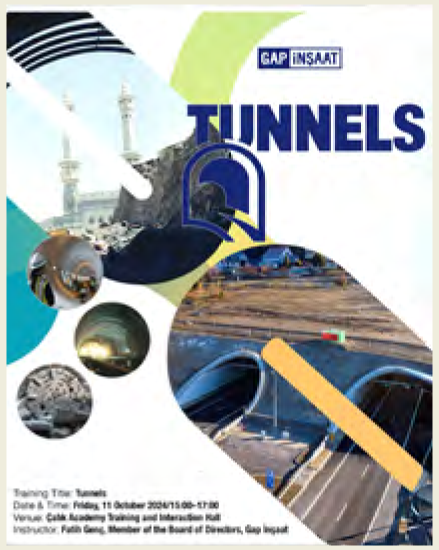
Our remuneration policy and fringe benefits are applied fairly to all employees in compliance with the corporate principles of Çalık Holding.

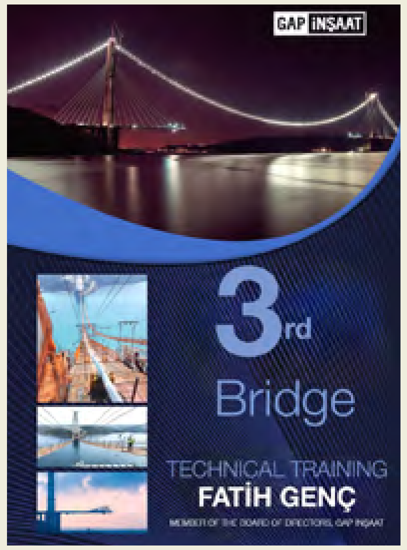
Technical Training Exclusive to EPC

We transfer the field experiences and know-how we gain from different projects to our employees through in-house trainings. We started these technical training programs in 2023 and continued them in 2024, preparing company-exclusive content and offering them regularly to all employees, including group companies.

Conducted in face-to-face and interactive formats, our training sessions aim to develop technical skills, grant employees access to knowledge about international projects, and strengthen coordination between the head office and the field. This practice aims to enhance technical competencies and foster innovative and integrated approaches to business processes.

Contribution to the UN Sustainable Development Goals





Ender Hıdıroğlu Digital Library Project

As Gap İnşaat, we view all employees within Çalık Group companies as members of a large family. We value the sharing of knowledge. To incorporate the know-how we possess as Çalık Group into our corporate memory and support the professional development of our employees, we have launched the Digital Library Project.

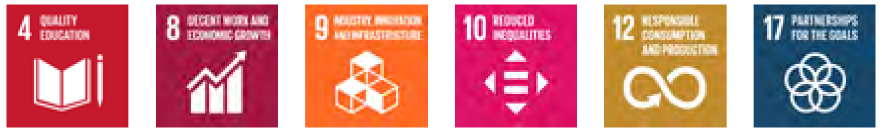
Our digital library, integrated into the Çalık Academy-EPC platform in 2023, has made available a total of 283 technical documents related to EPC and Textile sectors to our employees. With the content structure organized under sectoral headings, we ensure quick and easy access to information.

All our users can access documents in the library with read-only access; content editing is performed exclusively by our authorized teams. This guarantees information security and preserves content integrity. Thanks to our mobile-compatible design, employees can access information whenever they prefer.

We named our library after Ender Hıdıroğlu, our Advisor to the Chairman of the Board of Directors who has dedicated many years to our group, making the project a symbol of our corporate memory. With the special logo we developed for the project, we have turned this initiative into a brand.

By facilitating access to information through the Digital Library Project, we support technical decision processes and strengthen our learning organization culture.

Contribution to the UN Sustainable Development Goals



Employee Well-Being

In today's business world, employee well-being is recognized as one of the most critical elements supporting sustainable company success. In markets where competition is intense, comprehensive well-being programs that care for both the physical and mental health of employees are vital in attracting and retaining talent. As Gap İnşaat, we embrace employee well-being as a core value and implement effective policies to ensure continual improvement in this area.

Prioritizing open and transparent communication with our employees, we continue to effectively implement our **"Open Door"** policy. Additionally, through our **"We Grow with Ideas"** meetings, we foster a dynamic environment where employees and managers exchange ideas freely. We also celebrate employees' birthdays and share the joy of new parents with the entire company.

In the realm of training and development, a total of 8,515 hours of training were provided in 2024. Our Çalık Academy training platform, accessible to all employees, offers extensive training on approximately 400 different topics. We support employee development through in-house as well as external training sessions. We also leverage digital learning resources such as LinkedIn Learning, a leading platform in the industry.

With regard to fringe benefits, various supports are provided, taking into account the diverse needs of employees across different job categories. The 2024 benefits included bonuses, private health insurance, shuttle services, meal cards, car allocation, travel and fuel allowances, and phone line support.

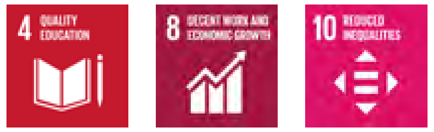
Orientation Ambassadors Initiative

To accelerate the adaptation process of new employees at Gap İnşaat and facilitate their integration into the company culture, we have implemented the Orientation Ambassadors Initiative.

Experienced employees provide guidance from day one, supporting faster adaptation to work processes and strengthening the sense of belonging.

The initiative strengthens internal communication and ensures employees feel secure, supported, and valued. This boosts productivity, team spirit, and employee engagement.

Contribution to the UN Sustainable Development Goals



OUR SOCIAL CONTRIBUTION

We operate with the awareness that adding value to society is the most important investment in the future. With our understanding of "Investing in the future by valuing people and the world", we adopt a strong governance model in the regions where we operate and continue to develop projects that support sustainable social welfare. Our goal in social responsibility is to reach broad audiences both in Türkiye and on international platforms and to make positive impacts.

Under the United Nations Sustainable Development Goals, we continue to contribute specifically to SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 11 (Sustainable Cities and Communities).

As Gap İnşaat, we continue to look towards the future with confidence through our contributions to society and the environment and aim to further these efforts in the upcoming period.

Local Employment

We recognize the positive impact of local employment on both economic and social development. Guided by this understanding, we have established it as a core principle to support local growth and prioritize local employment across all countries where we execute domestic and international projects.

In our projects, depending on the number of foreign personnel that can be employed, we apply three different employment models: personnel from Türkiye, local personnel, and foreign personnel. However, we consistently prioritize offering job opportunities to the local population, thereby contributing directly to regional economic growth.

We demonstrate the same sensitivity in supplier selection processes and prioritize local suppliers in our procurement. This approach not only supports social development but also strengthens our operational sustainability.

Local Employment Rate: 67%

In 2024, the proportion of local employment within our total workforce reached 67%, demonstrating our continued commitment to supporting local development and cultivating a skilled regional workforce.

Interaction with Local Communities

Understanding the cultural values and traditions of the local population is our fundamental principle, and we conduct our activities with this sensitivity, ensuring our projects do not negatively impact the daily lives of local communities in the countries and cities we operate. Through continuous and constructive communication with the communities living in and around the project field, we consider their needs and expectations.

Before commencing construction activities, we thoroughly analyze the region's social and environmental resources and prepare implementation plans aligned with sustainability principles. We prioritize meeting our personnel needs from the local workforce as much as possible and make an effort to collaborate with local cooperatives for equipment and machinery procurement.

During our activities, we take all necessary precautions to minimize negative impacts on local communities and the environment. Our project personnel maintain continuous communication to understand and meet the needs and expectations of residents. For instance, if transportation routes pass through villages, we identify alternative routes to maintain the quality of life of local communities regarding dust formation and traffic safety.

In terms of water usage, we coordinate with local authorities to construct temporary or permanent water tanks to ensure uninterrupted water supply in construction and accommodation areas, preventing any potential grievances. We obtain our food supplies from local producers, contributing to the local economy. Additionally, we choose local firms for machinery and vehicle maintenance and support regional development.

Local candidates are prioritized in the recruitment of employees with disabilities, and their performance is monitored to support continuity during the operational phase.

To minimize environmental impacts and avoid harming agricultural and livestock activities, we control dust and construct corrugated tunnels for animal crossings. We coordinate tree felling with cooperatives, and use natural materials for sandblasting. For waste management, we plan transportation and disposal processes to complete them with minimal harm. We measure electricity consumption separately in our facilities to effectively monitor the load on the local grid and our carbon footprint.

EMPLOYER AND CUSTOMER SATISFACTION

We recognize that customer and employer satisfaction is a key pillar of sustainable success and brand reputation. The strategies we have developed to understand, meet, and exceed our customers' expectations form the foundation of our company's long-term value creation vision. In this respect, employer and customer satisfaction was one of our priority agenda items in 2024 as well.

We manage our customer relationships from a long-term perspective aligned with sustainability principles, aiming to provide unconditional customer satisfaction by continually improving our service quality. Quality, trust, and transparency remain our core values in the services we offer to customers both domestically and abroad, regardless of the country. As of 2024, our portfolio included 15 customers, comprising 13 international and 2 local clients.

Customer satisfaction at Gap İnşaat is managed in an integrated manner with our Integrated Management System, which encompasses areas like quality, environment, and occupational health and safety. We advanced our processes by blending factors such as quality assurance, data security, environmental awareness, and social responsibility.

In every project, we use internationally certified materials and workmanship with an approach that ensures the highest quality standards, offering our customers long-lasting, functional, and aesthetic solutions. The smart building systems, digital monitoring tools, and environmentally friendly technologies integrated into our projects enhance the user experience while also contributing to our sustainability goals.

We ensure that our projects meet customer expectations not only in terms of physical infrastructure but also in terms of social benefits, with features like social living spaces, green areas, and other social amenities.

Customer satisfaction is monitored throughout the project lifecycle, not only at delivery, with systematic recording and analysis of all feedback, requests, and complaints.

All notifications, whether written or verbal, are evaluated within the scope of employer feedback. Based on feedback analysis, action plans are prepared via face-to-face meetings, surveys, and evaluation meetings.

In the event of any non-conformance subject to complaint, the matter is investigated within our corrective and preventive action mechanisms, and necessary measures are taken to prevent recurrence. We also assess negative reactions from the social environment in our operating areas within our complaint management system, not just direct feedback from our customers.

In every project, we conduct survey studies to measure the satisfaction levels of our employers and users. In 2024, we systematically measured user experiences with our Customer Satisfaction Survey, prepared in the official language of the countries where our sites are located.

100% Customer Satisfaction

The results of these surveys were analyzed by the HSE-Q (Health, Safety, Environment, and Quality) and Project Implementation departments and reported to Senior Management in regular Management Review Meetings. During these meetings, the following performance indicators were monitored:

- **Overall scores obtained from satisfaction surveys**
- **Number of employer feedbacks and distribution by topic**
- **Rate of resolving incoming requests and complaints**
- **Closing times for complaints**

Through our systematic customer satisfaction initiatives in 2024, we achieved a 100% satisfaction rate, demonstrating both the trust our customers place in us and the commitment of our teams to deliver high-quality services.

As Gap İnşaat, we view each customer's request not as a project but as a partnership. We carry our business relationships into the future with transparency, ethical working principles, and innovative solutions. By continually developing our customer-focused approach, we continue to create projects that meet not only today's needs but also those of tomorrow.

Customers	Unit	2022	2023	2024
Total Number of Customers	count	12	16	15
Number of Local Customers	count	1	1	2
Number of Foreign Customers	count	11	15	13

ANNEXES

CORPORATE MEMBERSHIPS

Foreign Economic Relations Board of Türkiye (DEIK)

Service Exporters' Association (HIB)

Turkish Contractors Association (TMB)

AWARDS & ACHIEVEMENTS

In 2024, as Gap İnşaat, we maintained our strong position in the international contracting sector. We demonstrated our ability by securing a place on the prestigious "Top 250 International Contractors" list published by one of the industry's most esteemed publications, Engineering News-Record (ENR). As of 2024, we ranked 176th globally on this distinguished list, reaffirming our strength on the global contracting stage.

Moreover, we secured top positions in significant subcategories in industry-based evaluations conducted by ENR:

In the GENERAL BUILDING category:

- **Ranked 10th in Health Care projects,**
- **Ranked 20th in Government Offices projects,**

In the MANUFACTURING category:

- **Ranked 23rd in Telecommunications projects,**
- **Ranked 4th in Transmission Lines & Cabling projects.**

These rankings reflect our engineering prowess, technical expertise, and the successful completion of projects across different geographies, certifying Gap İnşaat's reliability and reputation on a global scale once again.

As a brand proudly representing Türkiye on the international stage, we are determined to continue undertaking reference projects worldwide and producing global value in the forthcoming period.

Shining Stars Award Program at Çalık

Inspired by the values of Çalık Group, the Shining Stars Award Program highlights successful projects carried out by our group companies, encourages mutual learning, and inspires creativity. The first award ceremony was held on 25 December 2024. The program evaluates projects across four categories:

1. **"Trend Catchers", representing our values of Agility and Innovation**
2. **"Value Adders", representing our values of Sustainability and People-Orientation.**
3. **"Exemplary at Work", representing our values of Fairness and Wholehearted Work**
4. **"Ambassadors of Reputation", representing our value of "We put our reputation above everything else"**

At the award ceremony with a total of 70 projects from Çalık Group, our project "5G—The Name of Happiness at Work" achieved second place in the Exemplary at Work Category, and our Ender Hıdıroğlu Digital Library Project was honored with the Jury Special Award.

MANAGEMENT SYSTEM STANDARDS AND CERTIFICATIONS

Quality Standards and Certifications
ISO 9001:2015 Quality Management Systems
ISO 14001:2015 Environmental Management Systems
ISO 27001:2022 Information Security Management Systems
ISO 45001:2018 Occupational Health and Safety Management Systems

GAP İNŞAAT

PERFORMANCE INDICATORS

Economic Performance Indicators

Economic Indicators	Unit	2022	2023	2024
Income	TRY	3.2 billion	6.2 billion	14 billion
Total Assets	TRY	17.6 billion	27.3 billion	38.3 billion
Total Equity	TRY	6.3 billion	10.4 billion	11.7 billion
Total amount of donations to charitable organizations	TRY	218 thousand	1.7 million	41.7 million

Composition of Board of Directors	2022	2023	2024
Male	5	5	7
Female	1	1	0
Under 30 years old	1	1	0
Between 30-50 years old	2	2	3
50 years and above	3	3	4
Executives	1	1	1
Members of the Executive Board	1	1	1
Members of the Audit Board	1	1	1
Average tenure of office	7	8	8

Board of Directors Competence Matrix	Unit	2022	2023	2024
Period (15 years and over)	%	17%	17%	17%
Risk Management Experience	%	33%	33%	33%
Manufacturing Experience	%	50%	50%	50%
Financial Sector Experience	%	17%	17%	17%
Sectoral Experience Outside Finance	%	50%	50%	50%
R&D Experience	%	17%	17%	17%
P&D Experience	%	17%	17%	17%
Audit Experience	%	17%	17%	17%
Environmental, Social, and Corporate Governance Experience	%	17%	17%	17%

Annual Meetings	2024
General Assembly	5
Board of Directors Meeting	29

Environmental Performance Indicators

Environmental Management	Unit	2022	2023	2024
Environmental Expenditure	TRY	44,590.00	89,573.40	110,160.00
Number of Environmental Penalties and Sanctions	number	0	0	0
Amount of Environmental Penalties and Sanctions	TRY	0	0	0
Percentage of facilities environmentally certified according to ISO 14001, EMAS or other standards	%	100	100	100
Number of Environmental Accidents	number	6	0	1
Amount spent for response after environmental accident	TRY	600	0	0
Number of environment-related emergency drills	number	7	9	11

Energy Management	Unit	2022	2023	2024
Electricity	kwh	3,190,636.00	7,626,038.72	16,557,859.63
Natural gas	m^3	173,222.00	55,732.75	24,775.82
Natural gas	kwh	1,843,082.08	592,996.46	263,614.73
Diesel (Forklift + Tractor + Generator + Heating)	Lt	1,355,064.00	2,261,657.72	1,326,910.89
Diesel (Forklift + Tractor + Generator + Heating)	KWh	14,499,184.80	24,199,737.60	14,197,946.52
Total Energy Consumption	KWh	19,532,902.88	32,418,772.78	31,019,429.89

Greenhouse Gas Emissions	Unit	2022	2023	2024
Scope 1 (direct) greenhouse gas emissions	tonnes CO_2e	5,504.43	7,805.47	9,321.34
Scope 2 (indirect) greenhouse gas emissions	tonnes CO_2e	1,403.88	18,340.76	14,581.67
Scope 3 (indirect) greenhouse gas emissions	tonnes CO_2e	373.08	849.78	738.34
Greenhouse Gas Intensity	tCO_2e/TRY income	0.000002	0.000004	0.000002

Scope 1 Emissions	Unit	2022	2023	2024
Stationary Combustion - Natural Gas	tonnes CO_2e	541.53	84.80	48.09
Stationary Combustion - Diesel	tonnes CO_2e	739.89	2,461.89	2,334.03
Stationary Combustion - Propane	tonnes CO_2e	N/A	32.26	23.20
Stationary Combustion - Gasoline	tonnes CO_2e	2.13	N/A	N/A
Mobile Combustion - Diesel	tonnes CO_2e	3,486.64	4,209.92	5,685.56
Mobile Combustion - Gasoline	tonnes CO_2e	432.92	103.77	259.15
Refrigerant Gas Leaks	tonnes CO_2e	301.19	900.89	939.10
Fire Extinguisher Leak Emissions	tonnes CO_2e	0.13	11.95	32.31

Scope 2 Emissions	Unit	2022	2023	2024
Purchased Electricity	tonnes CO_2e	1,403.88	18,340.76	14,581.67

Scope 3 Emissions	Unit	2022	2023	2024
Waste Transport	tonnes CO_2e	0.58	N/A	N/A
Waste Disposal	tonnes CO_2e	13.41	40.21	2.66
Business Travel	tonnes CO_2e	322.10	670.90	555.11
Personnel Shuttle	tonnes CO_2e	36.99	138.67	180.57

Waste Management (Head Office)	Unit	2022	2023	2024
Total amount of hazardous waste	tonnes	0.10	0.72	0.95
Total amount of non-hazardous waste	tonnes	996.00	506.41	288.50
Total waste amount	**tonnes**	**996.10**	**507.13**	**289.45**
Recycled plastic amount	tonnes	0.12	0.04	0.50
Amount of paper recycling	tonnes	0.34	0.03	0.84

Waste Management by Disposal Method (Head Office)	Unit	2022	2023	2024
Recycling	tonnes	1.85	0.68	2.68
Regular Storage	tonnes	N/A	29.24	38.75
Energy Recovery	tonnes	N/A	0.04	0.00
Total Disposed Waste	**tonnes**	**1.85**	**29.96**	**41.43**

Other Waste Management	Unit	2022	2023	2024
Total amount of excavation and construction and demolition waste	tonnes	405,378.10	506,993.65	217,196.62

Water Management	Unit	2022	2023	2024
Total water consumption	tonnes	133,547.90	106,778.17	4,698,212.39

Social Performance Indicators

Number of Employees*		2022	2023	2024
Total number of employees		1,587	2,042	2,293
	Female	70	88	120
	Male	1,517	1,954	2,173
Number of white collar employees		709	932	977
	Female	46	62	74
	Male	663	870	903
Number of blue collar employees		878	1,110	1,316
	Female	24	35	46
	Male	854	1,075	1,270
Number of full-time employees		1,587	2,042	2,293
	Female	70	88	120
	Male	1,517	1,954	2,173
Number of part-time employees		0	0	0
	Female	0	0	0
	Male	0	0	0

Represents the number of employees excluding subcontractors.

Number of Employees*		2022	2023	2024
Number of employees in management		63	80	109
	Female	9	11	17
	Male	54	69	92
Total number of employees covered by collective labor agreements		0	0	0
	Female	0	0	0
	Male	0	0	0
Number of foreign employees		1,299	1,735	1,936
	Female	24	35	46
	Male	1,275	1,700	1,890
Number of disabled employees		3	3	5
	Female	1	2	2
	Male	2	1	3
Number of employees in income-generating positions		19	15	22
	Female	6	2	3
	Male	13	13	19

Represents the number of employees excluding subcontractors.

Number of Employees by Year	2022	2023	2024
Number of people working in the Company for 0-5 years	1,324	1,775	2,005
Female	48	65	74
Male	1,276	1,710	1,931
Number of people working in the Company for 5-10 years (inclusive)	239	243	264
Female	20	24	45
Male	219	219	219
Number of employees in the Company for over 10 years	24	24	24
Female	2	2	2
Male	22	22	22

Number of Employees by Age Breakdown	2022	2023	2024
Under 30 years old	659	770	1,030
Female	11	39	45
Male	648	731	985
30-50 years old (inclusive)	858	1,031	1,070
Female	13	51	74
Male	845	980	996
Over 50 years old	70	241	193
Female	2	3	3
Male	68	238	190

Number of Employees by Age Breakdown	2022	2023	2024
Manager and above - under 30 years old	0	0	0
Female	0	0	0
Male	0	0	0
Manager and above - 30-50 years old (inclusive)	47	62	84
Female	8	10	16
Male	39	52	68
Manager and above - over 50 years old	19	30	27
Female	1	1	1
Male	18	29	26

New Hires	2022	2023	2024
Total number of new hires	653	806	829
Female	85	44	33
Male	568	762	796
Under 30 years old	422	503	492
Female	24	3	17
Male	398	500	475
30-50 years old (inclusive)	222	301	326
Female	15	2	16
Male	207	299	310
Over 50 years old	9	2	11
Female	0	0	0
Male	9	2	11

New Hires		2022	2023	2024
Number of interns recruited in one year		7	33	34
	Female	2	21	8
	Male	5	12	26
Number of new graduates recruited		4	3	14
	Female	3	1	6
	Male	1	2	8
Number of positions filled with internal candidates		2	7	6
	Female	2	1	3
	Male	0	6	3
Number of new foreign employees		577	845	2
	Female	24	5	1
	Male	553	840	1

Turnover Rate		2022	2023	2024
Total number of employees who left their jobs		252	208	198
	Female	10	29	25
	Male	242	179	173
Under 30 years old		159	87	49
	Female	4	9	4
	Male	155	78	45
30-50 years old (inclusive)		86	105	143
	Female	5	20	9
	Male	81	85	134
Over 50 years old		12	16	6
	Female	1	0	0
	Male	11	16	6

Turnover Rate		2022	2023	2024
Number of employees who left work voluntarily		11	94	50
	Female	3	20	8
	Male	8	74	42
Under 30 years old		1	14	18
	Female	1	7	4
	Male	0	7	14
30-50 years old (inclusive)		7	67	31
	Female	1	13	4
	Male	6	54	27
Over 50 years old		3	13	1
	Female	1	0	0
	Male	2	13	1

Turnover Rate		2022	2023	2024
Number of employees who left work involuntarily		27	21	13
	Female	3	6	1
	Male	24	15	12
Under 30 years old		5	2	1
	Female	0	1	1
	Male	5	1	0
30-50 years old (inclusive)		13	16	6
	Female	2	5	0
	Male	11	11	6
Over 50 years old		9	3	6
	Female	0	0	0
	Male	9	3	6
Employee turnover rate		13%	24%	18%

Gender Diversity	2022	2023	2024
Proportion of female employees in total labor force	4.41%	4.50%	5.23%
Proportion of female interns recruited	28.57%	63.64%	24.00%
Proportion of female new graduates recruited	75.00%	33.33%	43.00%
Proportion of female employees in the management	14.00%	14.00%	16.00%
Proportion of non-managerial female employees	13.00%	19.00%	23.00%
Proportion of women on the Board of Directors	16.00%	16.00%	0.00%
Proportion of women in C-level positions	0.00%	0.00%	0.00%
Proportion of women in director positions	17.00%	20.00%	20.00%
Proportion of women in manager positions	15.00%	12.00%	16.00%
Proportion of women in manager and higher positions	14.00%	14.00%	16.00%
Proportion of women among first-level managers	17.00%	19.00%	16.00%
Proportion of women in STEM positions	13.00%	13.00%	17.00%
Proportion of women in income-generating roles	32.00%	13.00%	14.00%
Proportion of female blue-collar employees	1.51%	1.71%	2.01%

Age Diversity	2022	2023	2024
Percentage of employees under 30	41.52%	37.71%	44.92%
Female	0.69%	1.91%	1.96%
Male	40.83%	35.80%	42.96%
Percentage of employees aged 30-50	54.06%	50.49%	46.66%
Female	0.82%	2.50%	3.23%
Male	53.25%	47.99%	43.44%
Percentage of employees over 50	4.42%	11.80%	8.42%
Female	0.13%	0.15%	0.13%
Male	4.29%	11.65%	8.29%

Salary Level	2022	2023	2024
Entry salary level according to minimum wage	120%	56%	112%
Ratio of women to men's salaries and benefits when comparing jobs of equal value	100%	100%	100%

Employee Wellbeing	2022	2023	2024
Number of employees entitled to parental leave	0	2	1
Female	0	2	1
Male	0	0	0
Number of employees returning to work after parental leave	0	1	0
Female	0	1	0
Male	0	0	0

Employee Participation	2022	2023	2024
Number of employees participating in the Employee Loyalty Survey	139	0	127
Percentage of Participation in Employee Loyalty Survey	78%	0%	96%
Result of Employee Loyalty Survey	60%	0%	66%

Vested Benefits	2022	2023	2024
Employees provided with health insurance	47%	53%	59%
Employees provided with a company vehicle	8%	10%	11%

Talent Management	2022	2023	2024
Number of employees subject to regular performance and career development evaluation	108	124	132
Female	36	39	48
Male	72	85	84

Employee Training	Birim	2022	2023	2024
Total hours of training provided to employees	person*hour	3,970	3,606	8,515
Female	person*hour	175.11	155.40	445.62
Male	person*hour	3,794.89	3,450.60	8,069.38
Total training and development expenditure	TRY	232,996	387,300	3,736,840
Total hours of training on ethics	person*hour	95	0	80
Average training hours per employee on ethics	hours	5	0	2
Total hours of training on environment/ sustainability	person*hour	0	296	84
Average training hours per employee on environment/sustainability	hours	0	8	1
Total hours of training on Environmental Management (#)	person*hour	0	5	0
Average training hours per employee on Environmental Management	hours	0	1	0
Percentage of employees trained on environmental issues	%	0	0.13	0
Total training hours on Data Security and Privacy	person*hour	0	78	237
Average training hours per employee on Data Security and Privacy	hours	0	2	1

Customers	2022	2023	2024
Total Number of Customers	12	16	15
Number of Local Customers	1	1	2
Number of Foreign Customers	11	15	13
Customer Satisfaction Rate	100%	100%	100%
Customer Reliability Ratio	100%	100%	100%

OHS Metrics Company Employees	2022	2023	2024
Total training hours given to employees on OHS	36,439	85,369	284,412
Total training hours	11,553,339	15,323,191.5	18,788,108
Number of accidents (All recorded accidents should be shared, regardless of whether there is a loss of days or not)	11	23	11
Number of fatal cases	0	0	0
Number of occupational diseases	0	0	0
Absence due to accident	39	202	153
Lost Time Injury Frequency Rate (LTIFR)	0.07	0.05	0.04

Other OHS Performance Indicators	2022	2023	2024
Number of Near Misses	36	22	11
Number of Health, Safety and Environmental Field Inspections	1,684	2,688	1,111
Closure rate of HSE Observations	100%	100%	95%
Number of Drills Carried Out	7	38	53

Suppliers	2022	2023	2024
Total number of suppliers	549	636	1,038
Number of local suppliers	218	464	707
Number of foreign suppliers	331	172	331
Number of new suppliers	219	241	275
Local Supplier Ratio	40%	73%	68%
Foreign Supplier Ratio	60%	27%	32%

GRI CONTENT INDEX

GRI Standard	Notifications	References	Page Numbers	Explanation of Information Not Given
GRI 1: Foundation 2021				
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	Gap İnşaat in Türkiye and the World	20-21	
	2-2 Entities included in the organization's sustainability reporting	About the Report	4-11	
	2-3 Reporting period, frequency and contact point	About the Report	4-11	
	2-4 Restatements of information			No significant change has been observed compared to the previous reporting period.
	2-5 External assurance	About the Report	4-11	
	2-6 Activities, value chain and other business relationships	Operational Management	54-77	
	2-7 Employees	Competent Human Resources Employee Development Employee Well-Being	140-145 146-153 154-155	
	2-8 Workers who are not employees	Occupational Health and Safety	128-133	
	2-9 Governance structure and composition	Board of Directors and Senior Management	38-41	
	2-10 Nomination and selection of the highest governance body	Board of Directors and Senior Management	38-41	
	2-11 Chair of the highest governance body	Board of Directors and Senior Management	38-41	
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors and Senior Management	38-41	
	2-13 Delegation of responsibility for managing impacts	Board of Directors and Senior Management	38-41	
	2-14 Role of the highest governance body in sustainability reporting	Board of Directors and Senior Management Sustainability Strategy	38-41 82-83	
	2-15 Conflicts of interest	Compliance with International and Local Ethical Values Compliance with Legislation	48-51 52	
	2-16 Communication of critical concerns	Compliance with International and Local Ethical Values Compliance with Legislation	48-51 52	
	2-17 Collective knowledge of the highest governance body	Board of Directors and Senior Management	38-41	

GRI Standard	Notifications	References	Page Numbers	Explanation of Information Not Given
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Quality and Corporate Trust	36-37	
	2-19 Remuneration policies	Employee Development Employee Well-Being	134-155	
	2-20 Process to determine remuneration	Employee Development Employee Well-Being	134-155	
	2-21 Annual total compensation ratio			This information is not disclosed for confidentiality reasons.
	2-22 Statement on sustainable development strategy	Sustainability Strategy	82-83	
	2-23 Policy commitments	Committees and Policies	42-43	
	2-24 Embedding policy commitments	Committees and Policies	42-43	
	2-25 Processes to remediate negative impacts	Compliance with International and Local Ethical Values Compliance with Legislation	48-51 52	
	2-26 Mechanisms for seeking advice and raising concerns	Compliance with International and Local Ethical Values Compliance with Legislation	48-51 52	
	2-27 Compliance with laws and regulations	Compliance with International and Local Ethical Values Compliance with Legislation	48-51 52	
	2-28 Membership associations	Corporate Memberships	166-167	
	2-29 Approach to stakeholder engagement	Stakeholder Communication	104-105	
	2-30 Collective bargaining agreements			Not included in the reporting period.
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis	90-103	
	3-2 List of material topics	Materiality Analysis	90-103	
	3-3 Management of material topics	Materiality Analysis	90-103	

GRI Standard	Notifications	References	Page Numbers	Explanation of Information Not Given
Compliance with International and Local Ethical Values and Legislation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Compliance with International and Local Ethical Values Compliance with Legislation	90-103 48-51 52	
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Compliance with International and Local Ethical Values Compliance with Legislation	48-51 52	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions against anti-competitive behavior, anti-trust and monopolistic activities	Compliance with International and Local Ethical Values Compliance with Legislation	48-51 52	
Quality and Corporate Trust				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Quality and Corporate Trust Management System Standards and Certifications	90-103 36-37 169	
Access to Financial Resources				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Risk Management Operational Management	90-103 44-53 54-77	
GRI 201: Economic Performance 2016	201-1 Direct economic value produced and distributed	Access to Financial Resources	24-25	
	201-2 Financial impacts of climate change on the organization's activities and other risks and opportunities arising from climate change	Risk Management Climate Change	44-53 112-115	
GRI 203: Indirect Economic Impacts 2016	203-1 Supported infrastructure investments and services	Operational Management	54-77	
	203-2 Important indirect economic impacts	Value Creation Model	86-89	

GRI Standard	Notifications	References	Page Numbers	Explanation of Information Not Given
Environmental Footprint and Climate Change				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Environmental Footprint Climate Change	90-103 108-125 112-115	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Footprint Climate Change	108-125 112-115	
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Footprint Climate Change	108-125 112-115	
	305-3 Other indirect greenhouse gas emissions (Scope 3)	Environmental Footprint Climate Change	108-125 112-115	
	305-4 GHG emissions intensity	Environmental Footprint Climate Change	108-125 112-115	
	305-5 Reduction of GHG emissions	Environmental Footprint Climate Change	108-125 112-115	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management	116-117	
	302-2 Energy consumption outside the organization	Energy Management	116-117	
	302-3 Energy intensity	Energy Management	116-117	
	302-4 Energy consumption reduction	Energy Management	116-117	
	302-5 Reducing the energy requirements of products and services	Energy Management	116-117	
Water and Wastewater Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Waste Managment Water and Wastewater Management	90-103 118-121 122-123	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water and Wastewater Management	122-123	
	303-3 Water withdrawal	Water and Wastewater Management	122-123	
	303-5 Water consumption	Water and Wastewater Management	122-123	
GRI 306: Wastes 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	118-121	
	306-2 Management of significant waste-related impacts	Waste Management	118-121	
	306-3 Waste generated	Waste Management	118-121	
	306-5 Waste diverted to disposal	Waste Management	118-121	

GRI Standard	Notifications	References	Page Numbers	Explanation of Information Not Given
Competent Human Resources				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Competent Human Resources	90-103 140-145	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Competent Human Resources	140-145	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Competent Human Resources	140-145	
	401-3 Parental leave	Competent Human Resources	140-145	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Competent Human Resources	140-145	
	404-2 Programs for upgrading employee skills and transition assistance programs	Competent Human Resources	140-145	
	404-3 Percentage of employees receiving regular performance and career development reviews	Competent Human Resources	140-145	
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Occupational Health and Safety	90-103 128-133	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	128-133	
	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety	128-133	
	403-3 Occupational health services	Occupational Health and Safety	128-133	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	128-133	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	128-133	
	403-6 Promotion of worker health	Occupational Health and Safety	128-133	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	128-133	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	128-133	
	403-9 Work-related injuries	Occupational Health and Safety	128-133	
	403-10 Work-related ill health	Occupational Health and Safety	128-133	

GRI Standard	Notifications	References	Page Numbers	Explanation of Information Not Given
Employer and Customer Satisfaction				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Employer and Customer Satisfaction	90-103 160-163	
GRI 418: Customer Confidentiality 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Employer and Customer Satisfaction	160-163	
Local Employment and Interaction with Local Communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Local Employment Interaction with Local Communities	90-103 157 158-159	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Local Employment Interaction with Local Communities	157 158-159	
Supplier and Logistics Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Supplier and Logistics Management	90-103 60-61	
GRI 204: Purchasing Practices 2016	204-1 Proportion of expenditure on local suppliers	Supplier and Logistics Management	60-61	
GRI 308: Environmental Assessment of Suppliers 2016	308-1 New suppliers that were screened using environmental criteria	Supplier and Logistics Management	60-61	
GRI 414: Social Assessment of Suppliers 2016	414-1 New suppliers that were screened using social criteria	Supplier and Logistics Management	60-61	

GRI Standard	Notifications	References	Page Numbers	Explanation of Information Not Given
Sustainable Project Approach				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Sustainable Project Approach	90-103 62-77	
Operational Risk Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Risk Management Operational Risk Management	90-103 44-53 46-47	
Natural Resource Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis Natural Resource Management	90-103 124-125	

INDEPENDENT AUDITOR’S REPORT

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Consolidated Financial Statements
As at and for the Year Ended
31 December 2024
With Independent Auditor’s Report

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Independent Auditor's Report

To the Board of Directors of Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi,

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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The Key Audit Matter	How the matter was adressed in our audit
Revenue Recognition	
Revenue from construction projects constituted 95% of the Group's total revenue. The revenue from construction contracts of the companies in construction sector is amounting to TL 12.384.710 thousands and total construction cost is amounting to TL 13.345.688 thousands. The construction projects are complex and exposes the Group to various business and financial reporting risks. The revenue from construction contracts is calculated using the input method, and the Group recognizes revenue when it satisfies the performance obligation in accordance with IFRS 15 "Revenue from Contracts with Customers". The Group recognises revenue in accordance with input method to compare proportion of contract costs incurred for performance obligation with expected total contract costs of related performance obligation. The recognition of revenue and the expectation of the outcome of construction contracts with project specific terms require significant management judgement, in particular with respect to expectation the cost to complete and the amounts of variation orders andc claims to be recognised. Due to the significance of the estimates, assumptions, the level of judgements and its complex structure, revenue recognition on construction contracts has been identified key audit matter.	Our audit procedures perfromed for testing the revenue recognition include the following: - The terms and conditions of the important construction contracts were examined in terms of evaluating the estimates used by the management and determining whether the revenue was recognized in the relevant periods. - The status of the ongoing projects was discussed with the Group's financial and technical teams was discussed and supporting documents were provided. - The ongoing projects of the Group were visited and the estimated completion rates were observed. - The processes related to the determination of the accuracy and timing of the revenue included in the financial statements were examined and the design, implementation and effectiveness of the controls on the processes were examined. - The ones selected by the sampling method among the costs incurred by the Group in ongoing construction projects have been tested with supporting documents. - Revenues from construction contracts are recalculated by us using the input method. - Comparison of the cost budgets and prospective estimates of construction contracts with the results of the past year was evaluated and the current assumptions of the management regarding the progress levels of construction projects and the change of cost budgets were examined by us. - The explanations in the consolidated financial statement footnotes related to revenue were examined and the adequacy of the information and explanations in the footnotes were evaluated in terms of IFRS.

(2)

The Key Audit Matter	How the matter was adressed in our audit
Valuation of Investment Properties	
As disclosed in Note 2.3 and 14, the Group recognizes its investment properties at their fair values, after the initial recognition. As of 31 December 2024, fair value amount of the investment properties disclosed in the consolidated financial statements has been valued at TL 4.989.945 thousand by a POA licensed independent appraisal company and details of the valuation have been disclosed in Note 14. Due to the fact that investment properties are significant part of the Group's assets and applied valuation methods contain significant judgements and assumptions, we have considered the valuation of investment properties as a key audit matter.	We assessed the qualifications, competencies and independence of the professional appraisers engaged by the management: - In our audit, we assessed whether the valuation methods as applied by appraisers are acceptable for valuation of the underlying investment property. We reconciled the appraised values in the valuation report with disclosed amount in Note 14. - Among the other audit procedures we performed, we verified the assumptions (including real discount rate and market data) used by the external appraisers in their valuations against external data. For this assessment we involved valuation experts of a firm which is in our audit network to our audit procedures. - Due to the high level of judgment in the valuation of investment property and the existence of alternative assumptions and valuation methods, we assessed if the result of the external valuation is within an acceptable range. - We also examined the suitability of the information in the financial statements and explanatory note, given the importance of this information for users of the financial statements.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Kaan Birdal
Partner

June 2, 2025
Istanbul, Turkey

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

As at 31 December 2024
Consolidated Statement of Financial Position
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Note	Current Period Audited 31 December 2024	Prior Period Audited 31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents	5	1.696.501	1.357.443
Financial Investments		12.315	65
Trade receivables	7	122.211	594.102
- Due from related parties	4	*6.515*	*21.297*
- Due from third parties		*115.696*	*572.805*
Other receivables	8	2.806.969	1.862.600
- Due from related parties	4	*1.192.596*	*1.175.143*
- Due from third parties		*1.614.373*	*687.457*
Contract assets		8.682.780	3.372.137
- Contract assets from ongoing construction and contracting projects	16	*8.682.780*	*3.372.137*
Inventories	9	6.433.097	4.652.862
Prepaid expenses	10	1.230.665	779.802
Current tax assets	21	13.059	10.506
Other current assets	15	415.742	318.688
Total current assets		**21.413.339**	**12.948.205**
Non-current assets			
Trade receivables	7	50.997	27.666
- Due from related parties		-	-
- Due from third parties	7	*50.997*	*27.666*
Other receivables	8	11.319.736	10.378.795
- Due from related parties	4	*10.163.813*	*9.371.949*
- Due from third parties		*1.155.923*	*1.006.846*
Financial investments	6	195	195
Investment properties	14	4.989.945	3.614.033
Property, plant and equipment	12	507.488	335.992
Intangible assets	13	514	770
Prepaid expenses	10	27.562	12.509
Deferred tax assets	21	3.025	3.142
Total non-current assets		**16.899.462**	**14.373.102**
Total assets		**38.312.801**	**27.321.307**

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

GAP İNŞAAT

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

As at 31 December 2024
Consolidated Statement of Financial Position
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

	Note	Current Period Audited 31 December 2024	Prior Period Audited 31 December 2023
LIABILITIES			
Current liabilities			
Short-term loans and borrowings	17	3.605.297	2.581.791
Short-term portion of long-term loans and borrowings	17	2.554.718	844.225
Trade payables	7	1.999.452	1.315.184
- Due to related parties	4	*75.364*	*35.267*
- Due to third parties		*1.924.088*	*1.279.917*
Payables related to employee benefits	19	27.441	14.967
Other payables	8	583.644	145.353
- Due to related parties	4	*5.843*	*47.331*
- Due to payables to third parties		*577.801*	*98.022*
Contract liabilities		7.947.313	3.263.752
-Contract liabilities from ongoing construction and contracting projects	20	*5.274.747*	*767.554*
- Other contract liabilities		*2.672.566*	*2.496.198*
Current income tax liabilities		747.525	-
Short term provisions	18	70.321	58.006
- Short-term employee benefits		*25.094*	*16.921*
- Other-short term provisions		*45.227*	*41.085*
Other short-term liabilities	15	57.457	52.478
Total current liabilities		**17.593.168**	**8.275.756**
Non-current liabilities			
Long-term loans and borrowings	17	625.403	1.008.975
Other payables	8	672.111	532.843
- Due to third parties		672.111	*532.843*
Contract liabilities		7.170.269	6.544.942
- Contract liabilities from ongoing construction and contracting projects	20	*6.179.277*	*5.653.564*
- Other contract liabilities		*990.992*	*891.378*
Long-term provisions	18	54.200	47.425
- Long-term employee benefits		*54.200*	*47.425*
Deferred tax liabilities	21	540.152	547.034
Total non-current liabilities		**9.062.135**	**8.681.219**
Total liabilities		**26.655.303**	**16.956.975**
Equity			
Paid-in capital	22	1.566.513	896.513
Other comprehensive income or expense not to be reclassified to profit or loss			
- Defined benefit plans re-measurement loss / profit		*(9.217)*	(18.955)
- Currency translation differences		8.537.460	6.629.667
Other comprehensive income or expense to be reclassified to profit or loss			
- Currency translation differences		361.165	473.083
Restricted reserves	22	239.078	239.078
Business combination under common control		293.286	293.286
Other equity interests	4	(1.563.331)	-
Retained earnings		1.851.660	1.205.994
Profit/ (loss) for the period		380.884	645.666
Total Equity		**11.657.498**	**10.364.332**
Total Equity and Liabilities		**38.312.801**	**27.321.307**

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

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2024
(Amounts expressed in thousands of (“TL”) unless otherwise stated.)

	Note	Current Period Audited 1 January – 31 December 2024	Prior Period Audited 1 January – 31 December 2023
Revenue	23	14.000.809	6.240.244
Cost of sales (-)	23	(12.852.673)	(5.320.080)
Gross profit		**1.148.136**	**920.164**
General administrative expenses (-)	24	(669.797)	(331.941)
Marketing expenses (-)	24	(122.170)	(170.407)
Other incomes	25	400.143	264.596
Other expenses (-)	25	(221.223)	(452.044)
Operating profit/ (loss)		**535.089**	**230.368**
Gains from investing activities	26	593.645	133.459
Losses from investing activities (-)	26	(228)	-
Operating profit/ (loss) before finance expense		**1.128.506**	**363.827**
Finance income	27	847.663	942.184
Finance expenses (-)	27	(984.223)	(499.621)
Monetary gain / loss		-	(13.484)
Profit/ (loss) before tax		**991.946**	**792.906**
Current tax expense for the period (-)	21	(718.058)	(207)
Deferred tax (expense)/ income	21	106.996	(147.033)
Profit/ (loss) for the period		**380.884**	**645.666**
Other comprehensive income / expense			
Items not to be reclassified to profit or loss			
Defined benefit plans re-measurement loss / profit	18	10.841	(16.490)
Defined benefit plans re-measurement loss / profit, tax effect	21	(1.103)	1.154
Currency translation differences		1.907.793	3.399.499
Items to be reclassified to profit or loss			
Currency translation differences		(111.918)	64.041
Other comprehensive income		**1.805.613**	**3.448.204**
Total comprehensive income		**2.186.497**	**4.093.870**

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

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

		Other comprehensive income or expense to be reclassified to profit or loss		Other comprehensive income and expense to be reclassified to profit or loss			Accumulated Profits		
	Paid in capital	Defined benefit plans re-measurement loss / profit	Currency translation differences	Currency translation differences	Restricted reserves	Business combinations under common control	Retained earnings	Net loss for the period	Total equity
Balances at 1 January 2023	**896.512**	**(3.619)**	**3.230.168**	**409.042**	**239.078**	**293.286**	**(143.601)**	**1.349.595**	**6.270.461**
Total comprehensive income/expense									
Profit for the period	-	-	-	-	-	-	-	645.666	645.666
Other comprehensive income /expense	-	(15.336)	3.399.499	64.041	-	-	-	-	3.448.204
Total comprehensive income	**-**	**(15.336)**	**3.399.499**	**64.041**	**-**	**-**	**-**	**645.666**	**4.093.870**
Capital increase	1	-	-	-	-	-	-	-	1
Transfers	-	-	-	-	-	-	1.349.595	(1.349.595)	-
Balances at 31 December 2023	**896.513**	**(18.955)**	**6.629.667**	**473.083**	**239.078**	**293.286**	**1.205.994**	**645.666**	**10.364.332**

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Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

		Other comprehensive income or expense to be reclassified to profit or loss		Other comprehensive income and expense to be reclassified to profit or loss				Accumulated Profits		
	Paid in capital	Defined benefit plans re-measurement loss / profit	Currency translation differences	Currency translation differences	Restricted reserves	Business combinations under common control	Other equity interests (Note 4)	Retained earnings	Net loss for the period	Total equity
Balances at 1 January 2024	**896.513**	**(18.955)**	**6.629.667**	**473.083**	**239.078**	**293.286**	**-**	**1.205.994**	**645.666**	**10.364.332**
Total comprehensive income/expense										
Profit for the period	-	-	-	-	-	-	-	-	380.884	249.076
Other comprehensive income /expense	-	9.738	1.907.793	(146.761)	-	-	-	-	-	1.770.770
Total comprehensive income	**-**	**9.738**	**1.907.793**	**(146.761)**	**-**	**-**	**-**	**-**	**380.884**	**2.019.846**
Capital increase	670.000	-	-	-	-	-	-	-	-	670.000
Transfers	-	-	-	-	-	-	-	645.666	(645.666)	-
Decrease due to other changes	-	-	-	-	-	-	(1.563.331)	-	-	(1.563.331)
Balances at 31 December 2024	**1.566.513**	**(9.217)**	**8.537.460**	**361.165**	**239.078**	**293.286**	**(1.563.331)**	**1.851.660**	**380.884**	**11.657.498**

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

(10)

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

	Note	Current Period Audited 1 January – 31 December 2024	Prior Period Audited 1 January – 31 December 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		**(1.428.708)**	**2.509.996**
Profit/ (loss) for the period		**380.884**	**645.666**
Adjustments to reconcile cash flow generated from operating activities:		**2.264.582**	**4.876.104**
Adjustments for depreciation and amortization	12, 13	125.251	93.514
Adjustments for provision for litigation	18	(1.496)	15.272
Adjustments for provisions for employee benefits	18	22.594	5.582
Adjustments for interest expenses	17, 27	866.539	468.143
Adjustments for interest income		(609.068)	(47.243)
Adjustments related to fair value (gains)/ losses of investment property	14	(590.871)	(133.346)
Adjustments to tax expense/ (income)	21	611.062	147.240
Adjustment related to unrealized foreign currency translation differences		1.843.117	4.312.465
Adjustments for the loss on sales of property, plant and equipment, net	26	111	(10)
Adjustments related to losses (gains) on disposal of subsidiaries		(2.616)	
Adjustments for dividend income (expense)		(41)	(103)
Adjustments for monetary gain / loss		-	14.590
Changes in working capital		**(4.065.762)**	**(3.004.495)**
Adjustments related to (increase)/decrease in inventories		(1.780.235)	(2.024.389)
Adjustments related to (increase)/decrease in trade receivables		448.560	(301.139)
Adjustments related to (increase)/decrease in other current assets		(97.056)	(205.026)
Adjustments related to (increase)/decrease in other receivables		(3.448.641)	(4.111.071)
Adjustment for change in payables related to employee benefits		12.474	60
Adjustments related to increase/(decrease) in other liabilities		4.979	18.737
Adjustments related to increase/(decrease) in trade payables		684.268	526.552
Adjustments related to increase/(decrease) in prepayments		(465.916)	(88.265)
Adjustments related to increase/(decrease) in other contract liabilities		275.983	947.195
Adjustments related to increase/(decrease) in other payables		577.559	242.965
Adjustments related to (increase)/decrease in contract assets		(5.310.643)	(2.274.378)
Adjustments related to increase/(decrease) in contract liabilities		5.032.906	4.264.264
Cash Flows From/ (Used in) Operating Activities		**(1.420.296)**	**2.517.275**
Employee termination indemnity paid	24	(5.859)	(1.926)
Taxes paid/return	17	(2.553)	(5.353)
B. Cash Flows From/(Used in) Investing Activities		**(250.152)**	**1.714.543**
Proceeds from sale of property and equipment		836	543
Cash inflows from the sale of investment property	14	(21.486)	-
Purchase of other long term financial investments		-	1.724.584
Acquisition of property, plant and equipment	12	(220.703)	(48.183)
Acquisition of intangible assets	13	(821)	(381)
Adjustments for decrease (increase) in financial investments		(12.250)	13.247
Cash inflows from disposal of subsidiaries	7	2.616	-
Dividend received	7	41	103
Interest received	8	1.615	24.630
C. Cash Flows From/(Used in) Financing Activities		**2.017.918**	**(3.256.472)**
Proceeds from loans and borrowings	17	11.620.810	3.397.247
Repayment of loans and borrowings	17	(9.898.119)	(6.004.345)
Interest paid	17, 27	(982.226)	(671.988)
Capital increase	22	670.000	1
Interest received	27	607.453	22.613
Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents(A + B + C)		**339.058**	**968.067**
D. Cash and Cash Equivalents at the Beginning of the Period		**1.357.443**	**389.376**
Cash and Cash Equivalents at the End of the Period (A+B+C+D)	5	**1.696.501**	**1.357.443**

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

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

1. Group's organisation and nature of operations

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi (the "Company" or "Gap İnşaat") was established in 1996 in Istanbul, Turkey to operate in construction, contracting and decoration businesses sectors within Turkey and abroad. The address of the registered office is Büyükdere Caddesi No:163 Zincirlikuyu-İstanbul/Türkiye. The Company also operates in mining of all kinds of minerals, marble, lime, clay, coal and stone quarries and trading of stone cutter, spare parts and glazed ceramic tiles within the country and abroad provided that the necessary permits are granted. Gap İnşaat has seven branches in Turkmenistan, Qatar, Iraq, Kenya, Saudi Arabia, Poland and Russia in order to carry out various construction projects. As of 31 December 2024, the major shareholder of the Company is Çalık Holding Anonim Şirketi ("Çalık Holding").

At 31 December 2024, Gap İnşaat has 9 subsidiaries (31 December 2023: 10 subsidiaries) (referred as "the Group). The consolidated financial statements of the Group as at and for the year ended 31 December 2024 comprises Gap İnşaat and its subsidiaries.

As at 31 December 2024, the number of employees of the Group is 2.150 (31 December 2023: 1.983).

As of 31 December 2024 and 2023, Gap İnşaat's subsidiaries included in the scope of consolidation and their countries' activities, fields of activity and partnership rates are as follows:

Company Name	**Country**	**Ownership (%) 31 December 2024**	**31 December 2023**
Gap İnşaat Construction and Investment Co. Ltd. ("Gap İnşaat Sudan")	Sudan	80	80
Gap İnşaat Dubai FZE ("Gap İnşaat Dubai")	UAE – Dubai	100	100
Gap İnşaat Ukraine Ltd. ("Gap İnşaat Ukraine")	Ukraine	99	99
Gap Construction Co. (Gap İnşaat Libya)	Libya	100	100
Çalık İnşaat Anonim Şirketi ("Çalık İnşaat")	Turkey	99	99
Gap Construction Invest. and Foreign Trade LLC-Qatar ("Gap İnşaat Qatar") (*)	Qatar	-	100
White Construction N.V. ("White Construciton")	Netherlands	100	100
Innovative Construction Technologies Trading FZE ("Innovative Construction")	UAE – Dubai	100	100
OOO Gap İnşaat (Gap İnşaat Russia)	Russia	100	100
Deutsche Tiefbau Gesellschaft für Infrastrukturentwicklung mbH ("Deutsche Tiefbau")	Germany	100	100

(*) Closed in 2024

As subsidiaries of Gap İnşaat; Gap İnşaat Sudan, Gap İnşaat Libya, Çalık İnşaat, Gap İnşaat Dubai, Gap İnşaat Ukraine, White Construction and Innovative Construction, OOO Gap Insaat and Deutsche Tiefbau were established for the purpose of engaging in construction projects in the countries where they operate.

Gap İnşaat and its subsidiaries will be referred as the "Group".

2. Basis of presentation of consolidated financial statements

2.1 Basis of presentation

a) Statement of compliance

Group entities operating in Turkey maintain their books of account in Turkish Lira ("TL") in accordance with the accounting principles per Turkish Uniform Chart of Accounts, the Turkish Commercial Code and Tax legislations.

Group's foreign entities maintain their books of account and prepare their statutory financial statements in accordance with the related legislation and generally accepted accounting principles applicable in the countries where they operate. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Approval of consolidated financial statements:

The consolidated financial statements have been approved for issue by the Group management on 2 June 2025. General Assembly and the related regulatory bodies have the authority to modify the consolidated financial statements.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the significant items:

- Investment properties are measured at fair value.

The methods used to measure the fair values are discussed further in Note 2.3.

c) Functional and presentation currency

The Company's current currency was Turkish Lira (TL) until 30 June 2018. Due to Group's revenue has almost completed their projects in Turkey and focused on foreign projects. In addition, the main operation of the Company concentrated abroad where potential dividend income also can be obtained. Therefore, the management of the Company has decided to change TL to US Dollars as current currency and the current currency of the Company has been changed to US Dollars as of 1 July 2018 in accordance with IAS 21 - "Effects of Changes in Foreign Exchange Rates". Although functional currency has been changed to US Dollars as of 1 July 2018, the presentation currency of the Group has continued to be used in TL and consolidated financial statements are presented in TL.

2. Basis of presentation of consolidated financial statements *(continued)*

2.1 Basis of the presentation *(continued)*

c) Functional and presentation currency *(continued)*

The accompanying consolidated financial statements are presented in "TL" Except as otherwise indicated, financial information presented in TL has been rounded to the nearest thousand.

Financial statements prepared in US Dollars which is the current currency, have been translated into the reporting currency "TL" as described below;

- As of 31 December 2024, balance sheet accounts have been issued by T.C. The Central Bank (TCMB), has been converted into TL with the US Dollar buying rate of 1 USD = 35,2803 TL (31 December 2023: 1 USD =29,4382 TL).
- Paid-in capital and restricted reserves are shown in the accompanying consolidated financial statements with their values in the historic records. Other accounts under equity have been converted to TL based on the exchange rate at 1 July 2018 (1 USD = 4,5607 TL) which is the date of functional currency change and the equity movements after this date are followed as TL by the average year rate.
- Profit or loss and other comprehensive income statements for the period ended 31 December 2024 have been converted to TL with an annual average of 1 USD = 32,7984 (31 December 2023 annual average rate 1 USD= 23,7776 TL).

The translation differences resulting from the above translations are shown in the "foreign currency translation differences" account under the Comprehensive Income and Reclassified to Profit or Loss account group.

d) Basis of consolidation

i) Non-controlling interest

Non-controlling interest are measured at the proportional amount of the net asset value at the date of acquisition of the subsidiary.

Changes in the Group's shares in subsidiaries that do not result in loss of control are accounted for as equity transactions.

The non-controlling interest of the Group on its subsidiaries are calculated by taking into consideration the proportional amounts over the net asset values as of the balance sheet date. It is not included in the consolidated financial statements because it is not significant.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

iii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2. Basis of presentation of consolidated financial statements *(continued)*

2.1 Basis of the presentation *(continued*

d) Basis of consolidation *(continued)*

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Company's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Carrying value of shares owned by the Company and dividends arising from these shares has been eliminated in equity and profit or loss accounts.

In consolidation of operating results and financial positions of subsidiaries whose functional currency is other than USD, main consolidation transactions are made such as elimination of related party balances and transactions. But, a monetary asset (or liability) of related parties regardless of short-term or long-term (except for monetary items which are part of net investment of the Group in its subsidiaries whose functional currency is different than USD) cannot be eliminated with related party liability (or related party asset) without presenting results of fluctuation of foreign currencies in consolidated financial statements. Because, a monetary item provides obligation of translation of any currency to other currency and makes the Group exposed to gain or losses arising from fluctuation of foreign currencies. Correspondingly, these kind of foreign exchange differences are recognized in profit or loss of consolidated financial statements of the Group.

e) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The annual changes in the exchange rates that the Group is affected as of the end of the reporting period are as follows:

	31 December 2024	31 December 2023
USD	35,2803	29,4382
EUR	36,7362	32,5739

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

2. Basis of presentation of consolidated financial statements *(continued)*

2.1 Basis of the presentation *(continued)*

e) Foreign currency *(continued)*

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

f) Financial reporting in hyperinflationary economy

The financial statements of the Company and those of the subsidiaries , associates and joint ventures located in Turkiye for the year ended 31 December 2024 were restated for the changes in the general purchasing power of Turkish Lira, which is their functional currency, based on International Accounting Standard No. 29 ("IAS 29") "Financial Reporting in Hyperinflationary Economies". IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms.

One characteristic that necessitates the application of IAS 29 is a cumulative three-year inflation rate approaching or exceeding 100%. Cumulative three-year inflation rate in Turkiye reached % as at 31 December 2024, based on the Turkish nation-wide Consumer Price Index ("CPI") announced by the Turkish Statistical Institute ("TSI"). However, IAS 29 does not establish the rate of 100% as an absolute rate at which hyperinflation is deemed to arise. It is a matter of judgment when restatement of financial statements in accordance with IAS 29 becomes necessary. Moreover, hyperinflation is also indicated by characteristics of the economic environment of a country.

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

2. Basis of presentation of consolidated financial statements *(continued)*

2.1 Basis of the presentation *(continued)*

f) Financial reporting in hyperinflationary economy *(continued)*

The table below shows the evolution of CPI in the last three years and as of 31 December 2024:

	2024	2023	2022	2021
Annual Index	2684.55	1859.38	1128.45	686.95
Average Index	2360.03	1488.91	967.71	561.61
Yearly Inflation	44.4%	64.8%	64.3%	36.1%
Cumulative Inflation (last three years)	291%	268%	156%	74%

In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. The gain or loss on the net monetary position is included in the statement of profit or loss as monetary gain (loss) item. The Company restated all the non-monetary items in order to reflect the impact of the inflation restatement reporting in terms of the measuring unit current as of 31 December 2024. Consequently, the main items restated were Property, Plant and Equipment, Intangible assets, Right-of-Use Assets, Inventories, Investments in Equity Accounted Associate and Joint Venture and the Equity items. Monetary items have not been restated because they are stated in terms of the measuring unit current as of 31 December 2024.

Comparative figures must also be presented in the current currency of 31 December 2024 and are restated using the general price index of the current year. Therefore, comparative figures for the previous reporting periods have been restated, including foreign subsidiaries, by applying a general price index, so that the resulting comparative financial statements are presented in terms of the current unit of measurement as of the closing date of the reporting period.

In the statement of profit or loss, except for depreciation and amortization which is calculated using inflation adjusted asset basis, items are restated from the dates when the items of income and expense were initially recorded. The Group uses monthly general price index for this purpose.b
Similar to statement of profit or loss, all items in the statement of other comprehensive income are expressed in terms of the measuring unit current at balance sheet date. Therefore, all amounts are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements. All items in the statement of cash flows are expressed in a measuring unit current at the balance sheet date; they are therefore restated by applying the average conversion factors.

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

2. Basis of presentation of consolidated financial statements *(continued)*

2.1 Basis of the presentation *(continued)*

f) Financial reporting in hyperinflationary economy *(continued)*

The subsidiaries that use functional currencies other than Turkish Lira (foreign companies with economies that are not considered to be hyperinflationary), are not restated for inflation their financial statements, in accordance with IAS 29. The initial items of the statement of changes in equity are reported at the closing rate without modifying its total amount due to the fact that it is translated into the closing exchange rate, which implies that a translation adjustment is recognized under retained earnings and other comprehensive results.

The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS as issued by the IASB. The financial statements have been prepared on a historical cost basis, except for the following measured at fair value:

- Investment properties,
- Financial investments.

g) **Going concern**

The consolidated financial statements of the Group are prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities of the Company and its consolidated subsidiaries, jointly controlled entities and associates in the normal course of operations and in the foreseeable future.

h) **Changes and errors in accounting estimates**

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the period ended December 31, 2024 are consistent with those used in the preparation of financial statements for the year ended December 31, 2024 except for the change of the seniority ceiling used in the calculation of severance pay.

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

2. Basis of presentation of consolidated financial statements *(continued)*

2.1 Basis of the presentation *(continued)*

While the Company management is calculating severance pay in the financial statements of 31 December 2024, 31 based on the seniority ceiling announced in December 2024. In the financial statements of 31 December 2024 re-evaluated the seniority ceiling used for the calculation of severance pay seniority, the Company started to use the announced seniority ceiling in the calculation due to adjustments made in salaries due to economic conditions, 1 January 2024 in order to reflect the effect of the changes in the ceiling on the correct period.

2.2 Changes in accounting policies

Significant changes in the accounting policies are applied to prior periods and financial statements of prior periods are restated. The accounting policies applied in the preparation of the consolidated financial statements as of December 31, 2024 are consistent with those applied in the preparation of the consolidated financial statements of December 31, 2024.

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas at estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the following notes:

- Note 3 (c) and (d) – Useful lives of property, plant and equipment and other intangible assets
- Note 14 – Investment property-fair value measurement
- Note 18 – Provisions
- Note 21 – Taxation
- Note 28 – Financial instruments – Fair values and risk management

Measurement of fair value

The fair value hierarchy consists of three levels, depending upon whether fair values are determined based on quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable, and which have significant impact on the fair value of the instrument (Level 3):

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

2. Basis of presentation of consolidated financial statements *(continued)*

2.3 Use of estimates and judgements *(continued)*

Valuation models (continued)

Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: This category includes inputs that are quoted market prices (unadjusted) in active markets for identical instruments. These are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is representative of that being priced in the Group's portfolio.
- Level 2: This category includes inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: This category includes all instruments where the valuation technique uses inputs based on unobservable data, which could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant, unobservable adjustments or assumptions are required to reflect differences between instruments.

Unobservable in this context means that there is little or no current market data available from which the price at which an arm's length transaction would be likely to occur can be derived.

(a) Investments properties

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Investment property under construction is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin.

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

2. Basis of presentation of consolidated financial statements *(continued)*

2.3 Use of estimates and judgements *(continued)*

(b) Trade and other receivables

The fair value of trade and other receivables, except for the ongoing construction contracts, is estimated as the present value of future cash flows by discounting the market interest rates at the reporting date. The fair value is determined for disclosure purposes or for the first time recording.

(c) Non-derivative financial liabilities

For the purpose of disclosure or for the first time, the fair value is determined by discounting the future principal and interest cash flows to the present value at the market rate of interest at the reporting date.

2.4 Comparative financial information and correction of previous year's financial information

The Group's financial statements are prepared in comparison with the previous period to enable clarification of changes in financial position and performance. The comparable information is reclassified, and material differences are explained when required to provide conformity with current year's financial information. There is no reclassification made on the statement of financial position.

3. Significant accounting policies

The accounting policies described below have been applied consistently by all the companies of the Group presented in the accompanying consolidated financial statements.

The accompanying consolidated financial statements include the accounts of the parent company, Gap İnşaat, its subsidiaries on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

a) Financial instruments

i. Financial assets

The Company shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date. The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of IFRS 15 Revenue from contracts with customers, at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial investments, except financial assets classified at fair value through profit or loss and financial assets initially recognized at fair value, are recognized at fair value net of directly attributable transaction costs. Investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss ("FVTPL")", "financial assets measured at amortized cost", and "financial assets at fair value through other comprehensive income ("FVTOCI")".

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

3. Significant accounting policies *(continued)*

a) Financial instruments *(continued)*

ii. Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets at fair value through profit or loss unless they are designated for hedging purposes.

iii. Financial assets measured at amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

iv. Financial assets at FVTOCI

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are classified as financial assets at FVTOCI.

Financial assets at fair value through other comprehensive income are measured at fair value subsequent to their initial recognition. However, if the fair values cannot be reliably measured, then those Financial assets at fair value through other comprehensive income with fixed maturity are measured at amortised cost by using effective interest rate model and those available for sale investment securities without fixed maturity are measured by using fair value pricing models or discounted cash flow techniques. Unrecognized gains or losses derived from the changes in fair value of Financial assets at fair value through other comprehensive income and the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in "Fair value reserve" under equity. At the disposal of available for sale investment securities, value increases/decreases recorded in the fair value reserve under equity are transferred to profit or loss.

v. Recognition and Derecognition of Financial Assets and Liabilities

The Group reflects the financial asset or liabilities to the financial statements when it becomes a party to the relevant financial instrument contracts. A financial asset is derecognized when the control over the contractual rights from that asset is lost. A financial liability is derecognized when its contractual obligations are discharged, cancelled or expire.

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3. Significant accounting policies *(continued)*

a) Financial instruments *(continued)*

vi. Impairment of Financial Assets / Expected Credit Loss

At each reporting date, the Group shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. The Group considers the changes in the default risk of financial instrument, when making the assessment. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of a provision account. When a trade receivable is uncollectible, it is written off against the provision account. Changes in the carrying amount of the provision are recognized in profit or loss. With the exception of FVOCI equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of FVOCI equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

vii. Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are measured at amortized cost, using the effective interest rate method, Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

viii. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

ix. Financial liabilities

Financial liabilities are initially measured at fair value. Financial liabilities other than fair value through profit or loss are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

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3. Significant accounting policies *(continued)*

b) Revenue

General model for accounting of revenue

In accordance with IFRS 15, a five-stage approach is followed in recognising revenue for all contracts with customers.

Step 1: Identify the contract with a customer

A contract with a customer is in the scope of the new standard when the contract is legally enforceable and certain criteria are met. If the criteria are not met, then the contract does not exist for purposes of applying the general model of the new standard, and any consideration received from the customer is generally recognized as a deposit (liability). Contracts entered into at or near the same time with the same customer (or a related party of the customer) are combined and treated as a single contract when certain criteria are met.

Step 2: Identify the performance obligations in the contract

An entity identifies a

An entity determines whether it promises to transfer either goods or services that are distinct, or a series of distinct goods or services that meet certain conditions. A 'performance obligation' is the unit of account for revenue recognition. An entity assesses the goods or services promised in a contract with a customer and identifies as a performance obligation either a:

(a) good or service (or a bundle of goods or services) that is distinct; or

(b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

An entity may define a contract or a service separately from other contractual obligations and define it as a different commodity or service if the customer makes use of such goods or services alone or in combination with other resources available for use. A single contract may contain promises to deliver to the customer more than one good or service. At contract inception, an entity evaluates the promised goods or services to determine which goods or services (or bundle of goods or services) are distinct and therefore constitute performance obligations.

Step 3: Determine the transaction price

When determining the transaction price, an entity assumes that the goods or services will be transferred to the customer based on the terms of the existing contract. In determining the transaction price, an entity considers variables considerations and significant financing components.

Significant financing component

To estimate the transaction price in a contract, the Group adjusts the promised amount of consideration to reflect the time value of money if the contract contains a significant financing component. Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. The Group does not have sales transactions which includes significant financing component.

Variable consideration

An entity assesses whether discounts, rebates, refunds, rights of return, credits, price concessions, incentives, performance bonuses, penalties, or similar items may result in variable consideration.

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3. Significant accounting policies *(continued)*

b) Revenue *(continued)*

General model for accounting of revenue *(continued)*

Step 4: Allocate the transaction price to the performance obligations in the contract

The transaction price is allocated to each performance obligation – generally each distinct good or service – to depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

Step 5: Recognise revenue when or as the entity satisfies a performance obligation

An entity recognises revenue over time when one of the following criterias are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

For each performance obligation that is satisfied over time, an entity applies a single method of measuring progress toward complete satisfaction of the obligation. The objective is to depict the transfer of control of the goods or services to the customer. To do this, an entity selects an appropriate output or input method. It then applies that method consistently to similar performance obligations and in similar circumstances.

If a performance obligation is not fulfilled in time, then the Company recognizes revenue when the control of goods or services is transferred to the customer.

In cases where the cost to be incurred by the Company exceeding the expected economic benefits to be incurred to fulfill the contractual obligations exceeds the expected economic benefit, the Company provides a provision in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Contract modifications

A 'contract modification' occurs when the parties to a contract approve a change in its scope, price, or both. The accounting for a contract modification depends on whether distinct goods or services are added to the arrangement, and on the related pricing in the modified arrangement

Construction contracts in progress represent the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction contracts in progress is presented as part of trade receivables in the consolidated statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed cost incurred plus recognised profits, then the difference is presented as deferred income in the consolidated statement of financial position.

The asset, "Due from contract assets" represents revenues recognised in excess of amounts billed. The liability, "Due to contract liabilities" represents billings in excess of revenue recognised.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

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3. Significant accounting policies *(continued)*

b) Revenue *(continued)*

General model for accounting of revenue *(continued)*

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Revenue from the sale of goods and services

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sale is recognised.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale but it usually takes place when delivery of the goods is made to the customers or in the case of trading properties, it takes place at the earliest of the delivery or with the transfer of the title deeds. Revenue from the services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Dividend income

Dividend income is recognised when the collection right of dividend is obtained.

Rent income

In operating lease, the leased assets are classified under investment properties in the balance sheet and the rental income obtained is reflected in the income statement in equal amounts during the lease period. Rent income is reflected to the income statement by linear method during the rental period.

3. Significant accounting policies *(continued)*

c) Property, plant and equipment

i) Recognition and measurement

The costs of items of property, plant and equipment of Gap İnşaat's Turkish entities purchased before 1 January 2005 are restated for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29. Property, plant and equipment purchased after this date are recorded at their historical cost. Accordingly, property, plant and equipment of the Group are carried at costs, less accumulated depreciation and impairment losses, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

iii) Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iv) Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

Description	***Year***
Land and buildings	10-50
Machinery and equipment	4-20
Leasehold improvements	3-15
Motor vehicles	5-25
Furniture and fixtures	5-10
Other tangibles	5

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives, also on a straight-line basis.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

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3. Significant accounting policies *(continued)*

d) Intangible assets

i) Recognition and measurement

Intangible assets of the Group consist of software programs and licenses acquired by the Group, which have finite useful lives, and are measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

ii) Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

iii) Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Other intangible assets including computer software are amortised between 3 and 15 years.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss. Property that is being constructed for future use as investment property is accounted for at fair value.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in other income and other expenses. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation surplus is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

The Group is the lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms including lease incentives granted and is included in revenue in profit or loss. Rent income from other real estates are recognized in other income.

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3. Significant accounting policies *(continued)*

f) Inventories

Inventories are measured at the lower of cost and net realisable value. Except as discussed in the following paragraphs, the cost of inventories is mainly based on the weighted average, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of trading properties are determined on cost or deemed cost method by the entities operating in construction business and includes capitalized borrowing costs. Trading properties comprised lands that are held for construction projects and cost of buildings that are constructed or held for trading purposes.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

g) Employee benefits

i) Reserve for employee severance indemnity

Reserve for employee severance indemnity represents the present value of the estimated future probable obligation of the Group entities operating in Turkey arising from the retirement of the employees and calculated in accordance with the Turkish Labour Law it is computed and reflected in the consolidated financial statements on an accrual basis as it is earned by serving employees. The computation of the liabilities is based upon the retirement pay ceiling announced by the Government. The ceiling amounts applicable for each year of employment were TL 46,66 and TL 35,06 at 31 December 2024 and 2023, respectively.

IFRSs require actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. The total liability for employee severance benefit was calculated by an independent actuary based on past service cost methodology using the observable statistical market data such as mortality, inflation and interest rates or retirement pay ceilings applicable to the relevant periods and assumptions derived from the specific historic date of the Group such as retention and employee turnover rates or salary increase rates.

	December 31, 2024	December 31, 2023
Interest rate increase expected in the coming years %	27,15	25,05
Salary increase expected in the coming years % (*)	22,50	22,10

(*) 22.50% salary increase rate has been taken for all future years.

Actuarial gains/losses are comprised of adjustment of difference between actuarial assumptions and realised and change in actuarial assumptions.

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3. Significant accounting policies *(continued)*

g) Employee benefits *(continued)*

i) Reserve for employee severance indemnity (continued)

Provision for employment termination indemnity is not subject to any statutory funding.

ii) Vacation pay liability

Short-term employee benefit obligations are consisting of reserve for the vacation pay liability for the entities reporting in Turkey, due to the earned and unused vacation rights of its employees and measured on an undiscounted basis and are recognised in profit or loss as the related service is provided.

h) Right of use asset and lease liability

i) Right of use

The Group accounts its right of use assets at the date of the financial lease agreement (for example, as of the date the relevant asset is available for use. The right of use assets is calculated by deducting the accumulated depreciation and impairment losses from the cost value. In case the financial leasing debts are revalued, this figure is corrected.

The cost of the right of use assets includes:

(a) the first measurement of the lease liability

(b) the amount obtained from all lease payments made before or before the lease actually started, by deducting all lease incentives received and

(c) all initial costs incurred by the Group.

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

Right of use assets are subject to impairment assessment.

ii) Lease liability

The Group measures its lease liability at the present value of the lease payments, which were not paid on the date the lease started.

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

(a) fixed payments,

(b) variable rental payments based on an index or rate, made using an index or rate at the date when the first measurement was actually started,

(c) amounts expected to be paid by the Group witjin the scope of residual value commitments

(d) the price of use of this option if the Group is reasonably sure that it will use the purchase option and

(e) in case the rental period shows that the Group will use an option the terminate the lease, penalties for termination of the lease.

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

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3. Significant accounting policies *(continued)*

h) Right of use asset and lease liability *(continued)*

ii) Lease liability (continued)

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

The group measures the lease liability after the lease starts as follows:

(a) increases the carrying value to reflect the interest on the lease liability and

(b) reduces the carrying value to reflect the rent payments made.

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

iii) Short-term leases and leases of low-value assets

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

i) Finance income and finance cost

Finance income comprises interest income obtained from related parties is recognised as it accrues, using the effective interest method and foreign currency gain (excluding those on trade receivables and payables).

Finance costs comprise interest expense on borrowings and due to related parties, and foreign currency losses (excluding those on trade receivables and payables).

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

ii) Other income and expenses from operating activities

Other income from operating activities comprises recoveries from provision for doubtful receivables, rediscount gains on payables and foreign currency gains (excluding those on borrowings).

Other expense from operating activities comprises provision expense for doubtful receivables, rediscount expenses on payables, foreign currency losses (excluding those on borrowings) and other operating expenses.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position by each entity of the Group.

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3. Significant accounting policies *(continued)*

k) Income and losses from investing activities

Income from investing activities comprises gain on sale of property, plant and equipment and intangible assets, fair value gain on revaluation of investment properties, dividend income from equity accounted investees and other income from investing activities.

Losses from investing activities comprises gain on sale of property, plant and equipment, intangible assets and fair value loss on revaluation of investment properties.

l) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3. Significant accounting policies *(continued)*

l) Income tax *(continued)*

ii) Deferred tax (continued)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

m) Provisions, contingent liabilities, contingent assets

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that The Group will be required to settle that obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of receivable can be measured reliably.

n) Subsequent events

Subsequent events represent the events after reporting date comprising any event between the reporting date and the date of authorization for the financial statements' issue to the benefit or loss of the entity. Conditions of subsequent events are as follows:

- to have new evidences of subsequent events as of reporting date (adjusting events after reporting date); and

- to have evidences of related subsequent events occurred after reporting date (non-adjusting events after reporting date).

The Group adjusts its consolidated financial statements according to the new condition if adjusting subsequent events arise subsequent to the reporting date. If it is not necessary to adjust the consolidated financial statements according to subsequent events, these subsequent events are disclosed in the notes to the consolidated financial statements.

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3. Significant accounting policies *(continued)*

o) Statement of cash flows

The Group presents statement of cash flows as an integral part of other consolidated financial statements to inform the users of consolidated financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows under new conditions.

In the statement of cash flows, cash flows are classified according to operating, investment and financing activities. Cash flows from operating activities reflect cash flows mainly generated from main operations of the Group. Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group. Cash flows relating to financing activities express sources of financial activities and payment schedules of the Group. Cash and cash equivalents comprise cash on hand and demand deposits, and other bank deposits whose maturities are three months or less from date of acquisition. Any restricted cash and cash equivalents that are not ready for the Group's use as at the reporting date, are excluded from the sum of the cash and cash equivalent in the consolidated statement of cash flows.

p) Related parties

Parties are considered related to the Group if:

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

- (i) controls is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);
- (ii) has an interest in the Group that gives it significant influence over the Group; or
- (iii) has joint control over the Group;

(b) the party is an associate of the Group;

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

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

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

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

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

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

r) The new standards, amendments and interpretations

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

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(Amounts expressed in thousands of ("TL") unless otherwise stated.)

3. Significant accounting policies *(continued)*

r) The new standards, amendments and interpretations *(continued)*

i) The new standards, amendments and interpretations which are effective as of 1 January 2024 are as follows:

Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and October 2022, IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in October 2022 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, October 2022 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with IAS 8. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

In September 2022, the Board issued amendments to IFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of IFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of IFRS 16.The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued in May 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

The amendments did not have a significant impact on the financial position or performance of the Group.

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

3. Significant accounting policies *(continued)*

r) The new standards, amendments and interpretations *(continued)*

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2015, IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, the Board issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, the Board issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

3. Significant accounting policies *(continued)*

r) The new standards, amendments and interpretations *(continued)*

ii) Standards issued but not yet effective and not early adopted *(continued)*

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- *IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter:* These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

- *IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition:* The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.

- *IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price:* IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price".

- *IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent':* The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.

- *IAS 7 Statement of Cash Flows – Cost Method:* The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

Improvements are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted for all.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of ("TL") unless otherwise stated.)

3. Significant accounting policies *(continued)*

r) The new standards, amendments and interpretations *(continued)*

ii) Standards issued but not yet effective and not early adopted *(continued)*

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. IFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 will be applied retrospectively.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

iii) The amendments which are effective immediately upon issuance

Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

The Group disclosed the impact of the amendments on financial position or performance of the Group and booked in the financial statements.

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
As at and for the Year Ended 31 December 2024
(Amounts expressed in thousands of (“TL”) unless otherwise stated.)

4. Related party disclosures

Related party balances

As at 31 December 2024 and 2023, the Group had the following balances outstanding from/to its related parties:

	December 31, 2024	December 31, 2023
Short-term trade receivables		
Çalık Pamuk Doğal ve Sentetik Elyaf Ticaret Anonim Şirketi (2)	2.995	2.499
Aktif Portföy Yönetimi A.Ş İkinci	1.651	-
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi Katar Branch (2)	991	1.156
Aktif Yatırım Bankası Anonim Şirketi (2)	185	-
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi (2)	164	3.994
Başak Yönetim Sistemleri A.Ş. (2)	98	-
Yeşilırmak Elektrik Dağıtım Anonim Şirketi (2)	78	49
Çalık Petrol Arama Üretim Sanayi Ve Ticaret Anonim Şirketi (2)	13	-
Enrich Teknoloji Yazılım Anonim Şirketi (5)	1	10
Emlak Girişim Danışmanlığı Anonim Şirketi (2)	-	-
Çalık Hava Taşımacılık Sanayi ve Ticaret Anonim Şirketi (2)	-	404
Çalık Engineering Danışmanlık Ticaret Anonim Şirketi (2)	-	273
Çalık Dijital ve Bilişim Hizmetleri Anonim Şirketi (2)	-	498
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi Türkmenistan Branch (2)	-	12.187
Other	339	227
Total	**6.515**	**21.297**

	December 31, 2024	December 31, 2023
Short-term trade payables		
CLK Transport and Trading FZE (5)	37.395	13.892
GAP Pazarlama FZE (2)	20.198	-
Çalık Holding Anonim Branch (1)	9.786	9.963
Delta Netherlands BV (4)	2.672	-
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi Türkmenistan Branch (2)	2.184	1.823
Çalık Denim Tekstil Sanayi ve Ticaret Anonim Şirketi (2)	1.364	1.207
CLK İpekyolu Lojistik Ve Ticaret Anonim Şirketi (5)	1.010	703
Yeşilırmak Elektrik Perakende Satış Anonim Şirketi (2)	723	653
SECOM Aktif Elektronik Güvenlik Çözümleri Anonim Şirketi (2)	-	4.657
Çalık Hava Taşımacılık Sanayi ve Ticaret Anonim Şirketi (2)	-	1.754
Other	32	615
Total	**75.364**	**35.267**

	December 31, 2024	December 31, 2023
Short-term other receivables		
Çalık Holding Anonim Şirketi (1)	695.530	45.967
Ahmet Çalık (4)	434.762	1.066.921
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi TRM Branch (2)	57.588	-
Çalık Denim Tekstil Sanayi ve Ticaret Anonim Şirketi (2)	2.626	2.183
GAP Pazarlama FZE (2)	1.873	-
Çalık Dijital Ve Bilişim Hizmetleri (2)	217	-
Lidya Madencilik Sanayi ve Ticaret Anonim Şirketi (2)	-	53.460
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi (2)	-	5.050
Other	-	1.562
Total	**1.192.596**	**1.175.143**

(1) Parent company
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Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

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(Amounts expressed in thousands of (“TL”) unless otherwise stated.)

4. Related party disclosures *(continued)*

Related party balances *(continued)*

	December 31, 2024	December 31, 2023
Long-term other receivables		
Delta Netherlands BV (Note 8) (3)	10.163.813	9.371.949
Total	**10.163.813**	**9.371.949**

(*) It is the amount related to the receivable from Delta Netherlands BV which is the Group’s related party. The maturity of the first agreement between the Group and Delta Netherlands BV expired on 31 December 2023. Thereupon, a new agreement was signed in 2024, the maturity was extended to the end of 2026, and 8% Çalık Holding shares held by Delta Netherlands BV were shown as collateral to the Group. As in the first agreement, there is no interest in the new agreement signed in 2024. The discounted value of the receivable in question was determined using the Emirates Interbank Offered Rate (EIBOR) 5.12% interest rate within the scope of IFRS 9 Financial Instruments standard, and the discount effect was recognized as TL 1.563.331 under the “Other Equity Interests” account in the consolidated financial statements due to being a related party transaction. In addition, the interest accrual effect for the period was calculated and recognized as maturity difference income under the “Financial Income” account in the consolidated financial statements. There is no clarity in the tax laws regarding the issue in Dubai, where Gap Insaat Dubai FZE, the party to the receivable, operates as of the end of 2024. Therefore, the Group has not calculated any deferred tax effect on this adjustment made in accordance with IFRS.

	December 31, 2024	December 31, 2023
Short-term other payables		
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi Turkmenistan Branch (2)	3.881	39.742
Ahmet Çalık (3)	-	4.803
Çalık Hava Taşımacılık Sanayi ve Ticaret Anonim Şirketi (2)	816	-
Other	1.146	2.786
Total	**5.843**	**47.331**

Borrowings	Currency	December 31, 2024	December 31, 2023
Aktif Bank Sukuk Varlık Kiralama Anonim Şirketi (*) (2)	TL	459.089	439.771
Total		**459.089**	**439.771**

(*) In accordance with sukuk agreements between Aktif Bank Sukuk Varlık Kiralama Anonim Şirketi on March 26, 2020, the Group received 420 million TL from Aktif Bank Sukuk Varlık Kiralama Anonim Şirketi respectively

As of 31 December 2024, there is no impairment for the related party balances of the Group (31 December 2023: None).

(1) Parent company
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(3) Shareholder of the parent company

Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
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4. Related party disclosures *(continued)*

Related party transactions

For the years ended 31 December 2024 and 2023, the revenues earned, and expenses incurred by the Group in relation to transactions with its related parties as summarised below:

2024	Revenue	Purchase	Finance income/(costs)	General administrative expenses	Other income	Other expenses	Total
Delta Netherlands B.V.	-	-	460.460	-	-	-	460.460
Çalık Enerji Sanayi ve Ticaret A.Ş. (2)	52.433	-	1.446	(3.783)	1.297	-	51.393
Çalık Proje Mühendislik A.Ş	6.480	-	119	(9)	88	-	6.678
Çalık Elektirik Dağıtım A.Ş. (2)	2.636	-	(254)	(558)	43	-	1.867
Çalık Denim Tekstil Sanayi ve Ticaret A.Ş. (2)	-	-	855	(630)	48	-	273
Çalık Dijital ve Bilişim Hizmetleri A.Ş. (2)	39	-	231	-	-	-	270
Momentum Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (2)	196	-	-	-	-	-	196
Yeşilırmak Elektrik Dağıtım A.Ş. (2)	815	-	(692)	-	59	-	182
Çalık Petrol Arama Üretim Sanayi ve Ticaret A.Ş. (2)	39	-	-	-	25	-	64
Irmak Yönetim Sistemleri A.Ş. (2)	39	-	23	-	-	-	62
Başak Yönetim Sistemleri A.Ş. (2)	39	-	23	-	-	-	62
Cetel Telekom İletişim Sanayi ve Ticaret A.Ş. (2)	39	-	23	-	-	-	62
Çalık Altyapı ve Elektrik Hizmetleri A.Ş.	-	-	-	-	47	-	47
Adacami Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş (2)	39	-	-	(1)	2	-	40
Çalık Rüzgar Enerjisi Elektrik Üretim Limited Şirketi (2)	39	-	-	-	-	-	39
İkideniz Petrol ve Gaz Sanayi ve İnşaat Ticaret A.Ş. (2)	39	-	-	-	-	-	39
Yeşilçay Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (2)	39	-	-	-	-	-	39
Ant Enerji Sanayi ve Ticaret Limited Şirketi(5)	39	-	-	-	-	-	39
Atayurt İnşaat A.Ş. (2)	39	-	-	-	-	-	39
TCB inşaat yatırım A.Ş. (old name: atagas doğalgaz tic.A.Ş.)	39	-	-	-	-	-	39
Demircili Rüzgar Enerjisi Elektrik Uretim A.Ş. (2)	39	-	-	-	-	-	39
Türkmen'in Altın Asrı Elektrik Enerjisi Toptan Satış A.Ş.	39	-	-	-	-	-	39
ÇE Yenilenebilir Enerji İşletme ve Bakım Limited Şirketi	36	-	2	-	-	-	38
CL Enerji Üretim ve İnşaat Anonim Şirketi (2)	35	-	-	-	-	-	35
ÇE Enerji Teknolojileri Yatırım Üretim A.Ş.	-	-	3	-	32	-	35
Asya Center Enerji İnşaat San. Tic. Özbekistan	-	-	-	-	30	-	30
Çalık Limak Adi Ortaklığı (2)	29	-	-	-	-	-	29
Çalık Yeni Enerji Teknolojileri Limited Şirketi	-	-	-	-	-	-	-
Çalık Denim B.V. (2)	-	-	-	-	-	-	-
ÇL Enerji Üretim ve İnşaat A.Ş.	-	-	-	-	-	-	-
Çalık Enerji Irak Şube (2)	-	-	-	-	-	-	-
Artmin Madencilik Sanayi ve Ticaret A.Ş.	-	-	-	-	-	-	-
Secom Aktif Güvenik Yatırım Anonim Şirketi (2)	-	-	-	(1)	-	-	(1)
Türkmenbaşı Tekstil Kompleksi	-	-	-	(10)	-	-	(10)
Ant Filo Hizmetleri A.Ş.	-	-	(126)	-	-	-	(126)
Shangai CLK International Tranding CO	-	-	-	(182)	-	-	(182)
Ahmet Çalık (4)	-	-	(198)	-	-	-	(198)
Technovision Mühendislik Danışmanlık ve Dış Tic.Ltd.Şti. (2)	-	-	-	(1.010)	-	-	(1.010)
Akılcı Bilişim Hizmetleri ve Danışmanlık A.Ş.	-	-	(35)	(979)	-	-	(1.014)
Delta Holding	-	-	-	(1.421)	-	-	(1.421)
Yeşilırmak Elektrik Perakende Satış A.Ş. (2)	815	(6.970)	-	-	51	-	(6.104)
Çalık Holding A.Ş. (1)	38.862	(1.037)	84.976	(129.668)	514	-	(6.310)
CLK İpekyolu Lojistik A.Ş. (2)	-	-	(1.881)	(5.020)	334	-	(6.567)
Çalık Hava Taşımacılık Turizm Sanayi ve Ticaret A.Ş. (2)	39	(9.044)	(176)	-	-	-	(9.181)
Çalık Enerji Türkmenistan Branch (2)	-	(1.968)	(13)	(13.775)	-	-	(15.756)
Lidya Madencilik Sanayi ve Ticaret A.Ş. (2)	-	(63.727)	20.341	-	-	-	(43.386)
Aktif Bank Sukuk Varlık Kiralama A.Ş. (2)	-	(36)	(276.357)	-	-	-	(276.393)
Aktif Yatırım Bankası A.Ş. (2)	10.847	-	(416.260)	-	47	-	(405.366)
Total	**113.769**	**(82.782)**	**(127.490)**	**(157.047)**	**2.617**	**-**	**(250.890)**

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Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements
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(Amounts expressed in thousands of ("TL") unless otherwise stated.)

4. Related party disclosures *(continued)*

Related party transactions *(continued)*

2023	Revenue	Purchase	Finance income/(costs)	General administrative expenses	Other income	Other expenses	Total
Çalık Enerji Irak Branch (2)	42.514	-	-	-	-	-	42.514
Çalık Enerji Sanayi ve Ticaret A.Ş. (2)	24.782	-	1.811	(658)	564	-	26.499
Aktif Yatırım Bankası A.Ş. (2)	7.968	-	(215.890)	-	-	-	(207.922)
Çalık Engineering Danışmanlık Ticaret A.Ş. (2)	7.520	-	750	-	14	-	8.284
Polimetal Madencilik San. Ve Tic. A.Ş. (5)	-	-	-	-	-	-	
Emlak Girişim Danışmanlığı A.Ş. (2)	-	-	1.620	-	-	(4.380)	(2.760)
GAP Pazarlama A.Ş. (2)	-	-	811	-	-	(139)	672
Çalık Denim Tekstil Sanayi ve Ticaret A.Ş. (2)	-	-	315	-	-	-	315
Ahmet Çalık (1)	-	-	679	-	-	-	679
Enrich Teknoloji Yazılım Anonim Şirketi (5)	484	-	-	-	-	-	484
Çalık Petrol Arama Üretim Sanayi ve Ticaret A.Ş. (2)	99	-	-	-	-	-	99
Momentum Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.	138	-	-	-	-	-	138
Çalık Dijital ve Bilişim Hizmetleri A.Ş. (2)	35	-	92	(5)	-	-	122
Çalik Enerji Katar Branch (2)	-	-	-	112	-	-	112
Irmak Yönetim Sistemleri A.Ş. (2)	28	-	2	-	-	-	30
Başak Yönetim Sistemleri A.Ş. (2)	28	-	2	-	-	-	30
Cetel Telekom İletişim Sanayi ve Ticaret A.Ş. (2)	28	-	2	-	-	-	30
Demircili Rüzgar Enerjisi Elektrik Uretim A.Ş. (2)	28	-	-	-	-	-	28
Atayurt İnşaat A.Ş. (2)	28	-	-	-	-	-	28
Yeşilçay Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (2)	28	-	-	-	-	-	28
Ant Enerji Sanayi ve Ticaret Limited Şirketi (2)	28	-	-	-	-	-	28
Adacami Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş	28	-	-	-	-	-	28
Türkmen'in Altın Asrı Elektrik Enerjisi Toptan Satış A.Ş.	28	-	-	-	-	-	28
İkideniz Petrol ve Gaz Sanayi ve İnşaat Ticaret A.Ş.	28	-	-	-	-	-	28
Çalık Limak Adi Ortaklığı (2)	28	-	-	-	-	-	28
Taşkent Merkez Park Gayrimenkul Yatırım A.Ş. (2)	28	-	-	-	-	-	28
Çalık Rüzgar Enerjisi Elektrik Üretim Limited Şirketi (2)	28	-	-	-	-	-	28
TCB İnşaat YatırımA.Ş.(Old name:Atagas Doğalgaz A.Ş)	28	-	-	-	-	-	28
Çalık Pamuk Doğal ve Sentetik Elyaf Tic. A.Ş. (2)	-	-	-	-	-	-	-
Onyx Trading Innovation FZE (2)	-	-	-	(4)	-	-	(4)
Çalık Elektrik Dağıtım A.Ş. (2)	28	-	(2)	(216)	103	-	(87)
ANT Holding A.Ş (5)	(95)	-	-	-	-	-	(95)
Çalık Enerji Özbekistan (Temsilcilik ofisi) (2)	-	-	-	(179)	-	-	(179)
Gap Pazarlama FZE Jebel Ali Free Zone (2)	873	-	(26)	(1.272)	-	-	(425)
Yeşilırmak Elektrik Dağıtım A.Ş. (2)	278	-	(1.059)	-	-	-	(781)
Calik Denim B.V. (2)	-	-	-	(788)	-	-	(788)
CLK İpekyolu Lojistik A.Ş. (5)	2.501	-	(1.145)	(2.473)	-	(289)	(1.406)
Çalık Hava Taşımacılık Turizm Sanayi ve Ticaret A.Ş. (2)	28	(1.416)	518	(352)	-	-	(1.222)
Delta Holding (3)	-	-	-	(1.286)	-	-	(1.286)
Mükafat Portföy Yönetimi A.Ş. (2)	-	-	-	-	-	-	-
Yeşilırmak Elektrik Perakende Satış A.Ş.	436	(4.989)	-	-	1	-	(4.552)
Çalık Enerji Türkmenistan Branch (2)	-	-	(2)	(11.578)	-	-	(11.580)
Lidya Madencilik Sanayi ve Ticaret A.Ş. (2)	4.227	-	(30.273)	(4.166)	12	-	(30.200)
Çalık Holding A.Ş. (1)	27.947	-	(3.466)	(71.290)	-	(131)	(46.940)
Aktif Bank Sukuk Varlık Kiralama A.Ş. (2)	-	(920)	(191.757)	-	-	-	(192.677)
Total	**120.155**	**(7.325)**	**(437.018)**	**(94.155)**	**694**	**(4.939)**	**(422.588)**

(1) Parent company
(2) Subsidiary of the parent company
(3) Business partnership of the parent company
(4) Shareholder of the parent company
(5) Business partnership of the members of the Board of Directors

Transactions with key management personnel

On a consolidated basis, key management costs included in general administrative expenses for the year ended 31 December 2024 amounted to TL 104.548 (2023: TL 51.237).

5. Cash and cash equivalents

At 31 December 2024 and 2023, cash and cash equivalents comprised the following:

	31 December 2024	31 December 2023
Cash on hand	3.026	4.837
Cash at banks	1.693.475	1.352.606
-Demand deposits	*1.221.703*	*1.134.029*
-Time deposits (*)	*471.772*	*218.577*
Cash and cash equivalents	**1.696.501**	**1.357.443**

(*) As of 31 December 2024, interest rate of time deposits of the Group in Qatar Riyal is 0,25%. The maturity of time deposits is 1 day (31 December 2023: 0,25%).

As at 31 December 2024 and 31 December 2023, there is no restriction on bank accounts.

The Group's exposure to currency risks related to cash and cash equivalents are disclosed in Note 28.

6. Financial investments

As at 31 December 2024 and 2023, financial investments comprised the following:

Short term financial investments:

Financial investments to be held until maturity

	31 December 2024	31 December 2023
Time deposits – Longer than 3 months	12.315	65
Total	**12.315**	**65**

Available-for-sale financial investments

As at 31 December 2024 and 2023, available-for-sale financial investments comprised the following:

	Ownership (%)	2024	Ownership (%)	2023
Other	-	195	-	195
Total	**-**	**195**	**-**	**195**

Financial assets measured at cost that are not traded in an active market

As at 31 December 2024, investments in equity securities amounting to TL 195 (31 December 2023: TL 195) are measured at cost less impairment, if any, as these equity securities are not traded in an active market and have no quoted market price to estimate their fair value reliably.

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7. Trade receivables and trade payables

Trade receivables

Short-term trade receivables

As at 31 December 2024 and 2023, short-term trade receivables comprised the following:

	31 December 2024	31 December 2023
Due from third parties	115.696	572.805
Due from related parties (Note 4)	6.515	21.297
Total	**122.211**	**594.102**

As at 31 December 2024 and 2023, short-term trade receivable from third parties comprised the following:

	31 December 2024	31 December 2023
Accounts receivables	109.684	549.356
Notes receivables	6.012	23.449
Total	**115.696**	**572.805**

As of 31 December 2024 and 2023, there is no doubtful receivables.

Long-term trade receivables

As at 31 December 2024 and 2023, long-term trade receivables comprised the following:

	31 December 2024	31 December 2023
Due from third parties (*)	50.997	27.666
Total	**50.997**	**27.666**

As at 31 December 2024 and 2023, long-term trade receivable from third parties comprised the following:

	31 December 2024	31 December 2023
Accounts receivables (*)	50.997	27.666
Total	**50.997**	27.666

(*) Consists of receivables from Tarlabaşı Project. The Group makes a preliminary contract for sale against these receivables. When the areas subject to sale are delivered to the customers, they are recognized as sales. For this reason, the due date of the receivables is the days when the sale will take place. Since sales on these receivables have not been realized yet, such receivables are not included in the provision analysis.

The Group's exposure to currency risks related to trade receivables are disclosed in Note 28.

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7. Trade receivables and trade payables *(continued)*

Trade Payables

Short-term trade payables

As at 31 December 2024 and 2023, short-term trade payables comprised the following:

	31 December 2024	31 December 2023
Due to third parties	1.924.088	1.279.917
Due to related parties (Note 4)	75.364	35.267
Total	**1.999.452**	**1.315.184**

As at 31 December 2024 and 2023, short-term trade payables to third parties comprised the following:

	31 December 2024	31 December 2023
Accounts payables	1.906.448	1.279.917
Notes payables	17.640	-
Total	**1.924.088**	**1.279.917**

The Group's exposure to credit and currency risks related to trade receivables and payables and liquidity and currency risks of trade payables are disclosed in Note 28.

8. Other receivables and other payables

Other Receivables

Other short-term receivables

As at 31 December 2024 and 2023, other short-term receivables comprised the following:

	31 December 2024	31 December 2023
Due from third parties	1.614.373	687.457
Due from related parties (Note 4)	1.192.596	1.175.143
Total	**2.806.969**	**1.862.600**

As at 31 December 2024 and 2023, short-term other receivables from third parties comprised the following:

	31 December 2024	31 December 2023
Deposits and guarantees given (*)	862.892	80.361
Other various receivables (**)	751.481	607.096
Total	**1.614.373**	**687.457**

(*) It includes the deposit and guarantees calculated over progress invoices by the Group for its ongoing projects in Turkmenistan.

(**) It includes the receivables excepts progress payments from the state administration in Turkmenistan.

Other long-term receivables

As at 31 December 2024 and 2023, other long-term receivables comprised the following:

	31 Dcember 2024	31 December 2023
Due from related parties (Note 4)	10.163.813	9.371.949
Deposits and guarantees given (*)	1.155.923	1.006.846
Total	**11.319.736**	**10.378.795**

(*) It includes the deposit and guarantees calculated over progress invoices by the Group for its ongoing projects in Qatar and Turkmenistan.

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8. Other receivables and other payables *(continued)*

Other payables

Other short-term payables

As at 31 December 2024 and 2023, other short-term payables comprised the following:

	31 December 2024	31 December 2023
Due to related parties (Note 4)	5.843	47.331
Due to third parties	577.801	98.022
Total	**583.644**	**145.353**

As at 31 December 2024 and 2023, other short-term payables due to third parties comprised the following:

	31 December 2024	31 December 2023
Deposits and guarantees received	576.575	97.928
Other	1.226	94
Total	**577.801**	**98.022**

Other long-term payables

	31 December 2024	31 December 2023
Deposits and guarantees received (*)	672.111	532.843
Total	**672.111**	**532.843**

(*) It includes retention received over the subcontractor progress payments by the Group for its ongoing project in Qatar. The maturity is 2026.

9. Inventories

As at 31 December 2024 and 2023, inventories comprised the following:

	31 December 2024	31 December 2023
Trading properties (*)	5.559.840	3.807.322
Raw materials	867.021	837.399
Trading goods	6.236	8.141
Total	**6.433.097**	**4.652.862**

(*) Trading properties comprise under development residential and office buildings, the completion periods of which are no longer than 48 months, in Istanbul for "Taksim 360" project.The Group capitalized interest expense amounting to TL 2.937.928 accumulated on inventories as at 2024 (31 December 2023: TL 2.946.409 accumulated).

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10. Prepaid expenses

Short-term prepaid expenses

As at 31 December 2024 and 2023, current prepayments comprised the following:

	31 December 2024	31 December 2023
Advances given (*)	1.226.110	767.090
Prepaid expenses for the following months	4.555	12.712
Total	**1.230.665**	**779.802**

(*) As of 31 December 2024, it consists of the advances given to subcontractors for the ongoing projects in Turkmenisntan, Turkiye, Qatar and Germany.

Long-term prepaid expenses

As at 31 December 2024 and 2023, non-current prepayments comprised the following:

	31 December 2024	31 December 2023
Prepaid expenses for the following years	27.562	12.509
Total	**27.562**	**12.509**

11. Other Contract Liabilities

Short-term other contract liabilities

As at 31 December 2024 and 2023, short-term other contract liabilities comprised the following:

	31 December 2024	31 December 2023
Short-term other contract liabilities (*)	2.672.566	2.496.198
Total	**2.672.566**	**2.496.198**

(*) Included in the other contract liabilities balance at the beginning of the period, the amount of revenue recognized in the financial statements during the reporting period is TL 461.788 in the period ending on December 31, 2024 (2023: 845.508 TL).

Long-term other contract liabilities

As at 31 December 2024 and 2023, long-term other contract liabilities comprised the following:

	31 December 2024	31 December 2023
Long-term other contract liabilties (*)	990.992	891.378
Total	**990.992**	**891.378**

(*) As of 31 December 2024, it consists of the preliminary sales of the Tarlabaşı urban transformation project of Gap İnşaat.

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12. Property, plant and equipment

Movements of property, plant and equipment and related accumulated depreciation during the years ended 31 December 2024 and 2023 are as follows:

	Land and buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Total
Cost						
Balance at 1 January 2024	**111.902**	**1.701.623**	**231.468**	**270.542**	**30.891**	**2.346.426**
Additions	21	136.617	11.506	60.994	11.565	220.703
Foreign currency translation differences	22.089	347.557	46.793	57.436	7.006	480.881
Disposals	(1.565)	(275)	(164)	(4.140)	-	(6.144)
Balance at 31 December 2024	**132.447**	**2.185.522**	**289.603**	**384.832**	**49.462**	**3.041.866**
Accumulated depreciation						
Balance at 1 January 2024	**(56.031)**	**(1.529.493)**	**(160.788)**	**(262.447)**	**(1.675)**	**(2.010.434)**
Charge for the year	(3.946)	(83.461)	(2.606)	(30.741)	(2.465)	(123.219)
Foreign currency translation differences	(12.343)	(308.386)	(31.499)	(53.330)	(364)	(405.922)
Disposals	1.545	162	164	3.326	-	5.197
Balance at 31 December 2024	**(70.775)**	**(1.921.178)**	**(194.729)**	**(343.192)**	**(4.504)**	**(2.534.378)**
Net carrying values	**61.672**	**264.344**	**94.874**	**41.640**	**44.958**	**507.488**

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12. Property, plant and equipment *(continued)*

	Land and buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Total
Cost						
Balance at 1 January 2023	**71.077**	**1.046.498**	**147.018**	**168.783**	**19.320**	**1.452.696**
Additions	-	43.458	-	4.342	383	48.183
Foreign currency translation differences	40.825	611.667	84.450	97.681	11.188	845.811
Disposals	-	-	-	(264)	-	(264)
Balance at 31 December 2023	**111.902**	**1.701.623**	**231.468**	**270.542**	**30.891**	**2.346.426**
Accumulated depreciation						
Balance at 1 January 2023	**(31.364)**	**(913.680)**	**(98.231)**	**(160.404)**	**(1.155)**	**(1.204.834)**
Charge for the year	(2.937)	(76.431)	(4.533)	(7.350)	(193)	(91.444)
Foreign currency translation differences	(21.730)	(539.382)	(58.024)	(94.815)	(327)	(714.278)
Disposals	-	-	-	122	-	122
Balance at 31 December 2023	**(56.031)**	**(1.529.493)**	**(160.788)**	**(262.447)**	**(1.675)**	**(2.010.434)**
Net carrying values	**55.871**	**172.130**	**70.680**	**8.095**	**29.216**	**335.992**

For the year ended 31 December 2024, depreciation amounting to TL 12.003 was allocated to general administrative expenses (31 December 2023: TL 6.033).

For the year ended 31 December 2024, depreciation amounting to TL 111.216 was allocated to cost of sales (31 December 2023: TL 85.411).

As 31 December 2024, property, plant and equipment were insured amounting to TL 2.295.978 (31 December 2023: TL TL 1.819.136).

As 31 December 2024, there is no mortgages over property, plant and equipments against its borrowings (31 December 2023:None).

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13. Intangible assets

Movements of intangible assets and related accumulated amortisation during the years ended 31 December 2024 and 2023 are as follows:

Cost	Licences and other intangible assets
Balance at 1 January 2024	**21.630**
Foreign currency translation differences	4.109
Additions	821
Disposals	-
Balance at 31 December 2024	**26.560**
Amortisation	
Balance at 1 January 2024	**(20.860)**
Charge for the year	(2.032)
Foreign currency translation differences	(3.154)
Disposals	-
Balance at 31 December 2024	**(26.046)**
Net carrying value	**514**

Cost	Licences and other intangible assets
Balance at 1 January 2023	**14.256**
Foreign currency translation differences	8.539
Additions	381
Disposals	(1.546)
Balance at 31 December 2023	**21.630**
Amortisation	
Balance at 1 January 2023	**(13.022)**
Charge for the year	(2.070)
Foreign currency translation differences	(6.923)
Disposals	1.155
Balance at 31 December 2023	**(20.860)**
Net carrying value	**770**

For the year ended 31 December 2024, amortisation amounting to TL 198 was allocated to general administrative expenses (31 December 2023: TL 137).

For the year ended 31 December 2024, amortisation amounting to TL 1.834 was allocated to cost of sales (31 December 2023: TL 1.933).

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14. Investment properties

As at 31 December 2024 and 2023, investment properties comprised the followings:

	31 December 2024	31 December 2023
Investment property in use	4.989.945	3.614.033
Total	**4.989.945**	**3.614.033**

For the years ended 31 December, movements in investment property were as follows:

	2024	2023
Balance at 1 January	**3.614.033**	**2.190.669**
Additions	21.486	-
Changes in fair value (Note 26)	590.871	133.346
Foreign currency translation differences	763.555	1.290.018
Balance at 31 December	**4.989.945**	**3.614.033**

The Group obtained independent appraisal reports for each item of investment property and measured them at their fair values. Fair value information for all investment property within the scope of IFRS 13 based on fair value hierarchy are as follows:

31 December 2024	Level 1	Level 2	Level 3	Total
Investment property	-	4.989.945	-	4.989.945
Total	**-**	**4.989.945**	**-**	**4.989.945**

31 December 2023	Level 1	Level 2	Level 3	Total
Investment property	-	3.614.033	-	3.614.033
Total	**-**	**3.614.033**	**-**	**3.614.033**

As at 31 December, fair value of the investment properties is calculated by using a peer comparison by independent appraisal.

Peer comparison method determines recently listed or sold properties in market and takes into consideration of other factors for the adjustment of value based on size of land of property with current condition and location. For current market outlook the appraisers contact with the property sale intermediaries.

The Group has no mortgages over its investment properties (31 December 2023: None) against its borrowings.

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15. Other assets and liabilities

Other current assets

As at 31 December 2024 and 2023, other current assets comprised the following:

	31 December 2024	31 December 2023
VAT carried forward	380.613	168.621
Deductible VAT	27.063	97.163
Advances given to employees	8.066	52.904
Total	**415.742**	**318.688**

Other short-term liabilities

As at 31 December 2024 and 2023, other short-term liabilities comprised the following:

	31 December 2024	31 December 2023
Taxes and funds payable	57.457	45.357
Other liabilities	-	7.121
Total	**57.457**	**52.478**

16. Contract assets and liabilities

As at 31 December 2024 and 2023, the details of uncompleted contracts were as follows:

	31 December 2024	31 December 2023
Total costs incurred on uncompleted contracts	31.594.212	15.539.051
Estimated earnings/(costs)	2.731.852	1.286.124
Total estimated revenue on uncompleted contracts	34.326.064	16.825.175
Less: Billings to date	(26.864.636)	(13.922.645)
Net amounts due from customers for contract works [*]	**7.461.428**	**2.902.530**

[*] Contract assets from ongoing construction and contracting projects, contract liabilities from ongoing construction and contracting projects and advance received from the ongoing construction and contracting projects amounting to TL 8.682.780 TL 11.454.024 respectively. Net contract liability is TL 2.771.244 (31 December 2023: TL 3.372.137, TL 469.608 and TL 5.951.510 respectively).

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on made-to-order trading goods and trading properties. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

17. Loans and borrowings

As at 31 December 2024 and 2023, loans and borrowings comprised the following:

	31 December 2024	31 December 2023
Short-term loans and borrowings	3.605.297	2.581.791
Short-term portion of long term loans and borrowings	1.880.200	488.044
Short-term portion of long term bonds	674.518	356.181
Short-term loans and borrowings	**6.160.015**	**3.426.016**
Long-term loans and borrowings	625.403	497.575
Long-term bonds	-	511.400
Long-term loans and borrowings	**625.403**	**1.008.975**
Total	**6.785.418**	**4.434.991**

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17. Loans and borrowings *(continued)*

At 31 December 2024 and 2023, the terms and conditions of outstanding loans and borrowings were as follows:

2024	Currency	Nominal interest rate %	Maturity	Nominal value	Carrying amount
Unsecured bank loans	TL	12,00	2025	10.278	10.566
Unsecured bank loans	USD	7,45-10,50	2026	4.526.365	4.545.760
Unsecured bank loans	EUR	6,25-9,75	2025	1.094.583	1.095.485
Sukuk agreement	TL	-	2030	420.000	459.089
Bonds	TL	-	2025	655.000	674.518
Total				**6.706.226**	**6.785.418**

2023	Currency	Nominal interest rate %	Maturity	Nominal value	Carrying amount
Unsecured bank loans	TL	10,50-42,40	2024-2025	184.170	192.107
Unsecured bank loans	USD	8,50-12,00	2024	1.999.207	2.046.809
Unsecured bank loans	EUR	6,80-11,00	2024	871.013	888.722
Sukuk agreement	TL	-	2030	420.000	439.772
Bonds	TL	-	2024-2025	837.000	867.581
Total				**4.311.390**	**4.434.991**

There is no mortgage on investment properties against the bank borrowings (31 December 2023: None).

As 31 December 2024, there is no mortgage on property, plant and equipment against the bank borrowings (31 December 2023:Nill).

The redemption schedule of loans and borrowings are as follows:

	2024	2023
2024	-	3.426.016
2025	6.160.015	569.204
2026	166.314	439.771
2027 and after	459.089	-
Total	**6.785.418**	**4.434.991**

Change of Group's liabilities from borrowing activities between 1 January – 31 December 2024 are presented below:

	1 January 2024	Cash inflow	Cash outflows	Non-cash transactions	Interest expense	Interest paid	31 December 2024
Financial borrowings	4.434.991	11.620.810	(9.898.119)	743.423	841.605	(957.292)	6.785.418

Change of Group's liabilities from borrowing activities between 1 January – 31 December 2023 are presented below:

	1 January 2023	Cash inflow	Cash outflows	Non-cash transactions	Interest expense	Interest paid	31 December 2023
Financial borrowings	5.157.297	3.397.247	(6.004.345)	2.088.637	423.877	(627.722)	4.434.991

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18. Provisions, commitments and contingencies

As at 31 December 2024 and 2023, provisions comprised the following items:

	31 December 2024	31 December 2023
Short-term provisions		
Short-term employee benefits	25.094	16.921
Other short-term provisions	45.227	41.085
Total short-term provisions	**70.321**	**58.006**
Long-term provisions		
Long-term employee benefits	54.200	47.425
Total long-term provisions	**54.200**	**47.425**
Total provisions	**124.521**	**105.431**

As at 31 December 2024 and 2023, short-term and long-term employee benefits comprised the following items:

	31 December 2024	31 December 2023
Short-term		
Vacation pay liability	25.094	16.921
Total	**25.094**	**16.921**
Long term		
Reserve for severance payments	54.200	47.425
Total	**54.200**	**47.425**

As at 31 December 2024 and 2023, movement of vacation pay liability is below:

	2024	2023
Opening balance	**16.921**	**11.878**
Additions / (reversals), net	4.778	(893)
Translation differences	3.395	5.936
Closing balance	**25.094**	**16.921**

As at 31 December 2024 and 2023, other provisions comprised the following items:

Short-term	31 December 2024	31 December 2023
Provision for litigation	45.227	41.085
Total	**45.227**	**41.085**

As at 31 December 2024 and 2023, movement of litigation provision is below:

	2024	2023
Opening balance	**41.085**	**22.225**
Additions / (reversals), net	(1.496)	15.272
Translation differences	5.638	3.588
Closing balance	**45.227**	**41.085**

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18. Provisions, commitments and contingencies *(continued)*

Reserve for severance payments

In accordance with the existing labour law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire (age of 58 for women, age of 60 for men) or completed service years of 20 for women or 25 for men, are called up for military service or die.

For the years ended 31 December, the movements in the reserve for severance payments were as follows:

	2024	2023
Balance at the beginning of the year	**47.425**	**20.196**
Interest cost	7.760	3.395
Service cost	10.056	3.080
Paid during the year	(5.859)	(1.926)
Actuarial difference	(10.841)	16.490
Foreign currency translation differences	5.659	6.190
Balance at the end of the year	**54.200**	**47.425**

The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees.

Actuarial difference arises due to the change in interest rate and expected salary increase. Actuarial difference is recognized in other comprehensive income.

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. As at 31 December 2024, the ceiling amount was TL 41,83 thousand (31 December 2023: TL 35,06 thousand).

Commitments and contingencies

Guarantee, pledge and mortgages ("GPM") in respect of commitment and contingencies realised in the ordinary course of business were given as at 31 December 2024 and 2023 are as follows:

	31 December 2024			31 December 2023		
	USD	*Other (*)*	*Tl Equivalents*	*USD*	*Other (*)*	*Tl Equivalents*
A. Total amount of GPMs given in the name of its own legal personality	229.226	852.188	8.939.352	232.202	257.826	7.093.438
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures						
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties						
D. Other GPMs given						
Total GPM	**229.226**	**852.188**	**8.939.352**	**232.202**	**257.826**	**7.093.438**

(*) TL equivalents are given.

The Group gives letter of guarantees amounting to TL 8.153.986 (31 December 2023: TL 6.878.168) for the construction projects to suppliers.

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19. Payables related to employee benefits

As at 31 December 2024 and 2023, payables related to employee benefits comprised the following:

	31 December 2024	31 December 2023
Payable to employees	20.929	7.863
Social security payables	6.512	7.104
Total	**27.441**	**14.967**

20. Contract liabilities

The details of short term contract liabilities as of December 31, 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Contract liabilities resulting from ongoing construction and contracting works	5.274.747	767.554
Total	**5.274.747**	**767.554**

The details of long-term contract liabilities as of December 31, 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Contract liabilities resulting from ongoing construction and contracting works	6.179.277	5.653.564
Total	**6.179.277**	**5.653.564**

The amount of revenue recognised in the period ended 31 December 2024 from performance obligations satisfied (or partially satisfied) is amounting TL 11.454.024 (2023: TL 6.421.118). The contract liabilities primarily relate to the advance consideration received from customers for ongoing construction projects located in Turkmenistan and Qatar where revenue is recognised over time. These amounts will be recognised as revenue when the projects are delivered to customers, which is expected to be completed within 1 to 3 years.

GAP İNŞAAT

21. Taxation

Turkey

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

In Turkey, the corporate tax rate is 25% (31 December 2023: 25%).This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 25% to be calculated based on earnings generated for each quarter. Temporary tax is declared by the 14th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

According to the Corporate Tax Law, for assets purchased before July 15, 2023, 25 percent of the income from the sales of subsidiaries and real estate owned for at least two years is subject to tax exemption if it is recorded in equity accounts within five years from the date of sale. The remaining 75 percent is subject to corporate tax.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. According to the amendments in the tax legislations, which became effective from 24 April 2003, dividends that are paid to the shareholders from the profits of the years between 1999 and 2002 are immune from the withholding tax, if such profits are exempted from corporation tax bases of the companies. As per the decision no.2006/10731 of the Council of Ministers published in the Official Gazette no.26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no:5520 revised.

Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions was increased from 10 percent to 15 percent. In applying the withholding tax rates on dividend payments to the non resident institutions and the individuals the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

According to the Tax Procedure Law and the relevant Communiqué published in the Official Gazette dated December 30, 2023 and numbered 32415 (2nd Duplicate); inflation adjustments have been made to the non-monetary items of the balance sheet dated December 31, 2023, prepared in accordance with the Tax Procedure Law, which is the subject of the corporate tax calculation. Accordingly, as of December 31, 2023, the values adjusted for inflation in accordance with the Tax Procedure Law were taken as the basis for the tax base in the deferred tax calculations.

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21. Taxation *(continued)*

Turkey *(continued)*

Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes

Tax applications for foreign subsidiaries of the Group

United Arab Emirates

As at 31 December 2024, the Group has two subsidiaries in the United Arab Emirates located in Dubai. There was no federal corporate tax in the United Arab Emirates until January 1, 2024.

Current tax should be measured on the amount expected to be paid or collected from the tax authorities by reference to the tax rates and laws enacted or substantially enacted at the end of any reporting period. Since the Company's subsidiaries are expected to pay tax on their operational results from January 1, 2024 in accordance with the United Arab Emirates Tax Law, current tax has been recognized in the financial statements for the period beginning on January 1, 2024.

Deferred taxes should be measured by reference to the tax rates and laws enacted or substantially enacted at the end of the reporting period, which are expected to be applied in the periods in which the assets and liabilities to which the deferred tax is attributed are realized or paid. Due to the amendment to the United Arab Emirates Tax Law, the Company has recorded deferred tax in its financial statements for the period ended December 31, 2024.

Turkmenistan

According to Turkmenistan law, while the corporate tax rate is 8 percent for local companies, it is 20 percent for branches of foreign companies and for local companies which have foreign partner. Parent company of branches located in Turkmenistan is tax-exempt due to income generated from construction projects outside Turkey is tax exempt in Turkey. Besides, revenue arising from sales of machinery and equipment which are exported from Turkey and included in construction cost in those countries are subject to corporate tax in Turkey.

Qatar

As of 31 December 2024, the Group has a branch and a subsidiary operating in Qatar. In Qatar Emirates, companies are subject to corporate tax. Taxes and duties related to the project carried out by the Group in Qatar are tax exempt.

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21. Taxation *(continued)*

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by obtaining taxable profit in the future.

Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to offset current tax assets from current tax liabilities, deferred tax assets and liabilities are mutually offset from each other.

Tax recognised in profit or loss

Income tax expense for the years ended 31 December 2024 and 2023 comprised the following items:

	31 December 2024	31 December 2023
Current year expense	718.058	207
Prepaid taxes and funds	(13.059)	(10.713)
Currency translation differences	29.467	-
Current tax assets/liabilities, net	**734.466**	**(10.506)**

	2024	2023
Current year tax expense	(718.058)	(207)
Deferred tax income	106.996	(147.033)
Tax expenses recognised in profit or loss	**(611.062)**	**(147.240)**
Tax recognised in other comprehensive income	(1.103)	1.154
Total income tax (expense)/ benefit	**(612.165)**	**(146.086)**

As at December 31, 2024 and 2023, all of the deferred tax income recognized in other comprehensive income is related to actuarial differences in the provision for severance pay.

Reconciliation of effective tax rate

The reported income tax expense for the years ended 31 December 2024 and 2023 are different than the amounts computed by applying statutory tax rate to profit before tax as shown in the following reconciliation:

	1 January-31 December 2024	1 January-31 December 2023
Profit/ (loss) before taxation	991.946	792.906
Tax rate	25%	25%
Taxes on profit or loss per statutory tax rate	(247.987)	(198.227)
Disallowable expenses	(54.694)	(71.419)
Tax exempt income	76.761	57.046
Current period tax losses on which deferred tax assets are not recognized	(129.318)	-
Carry forward tax losses used in the current period for which deferred tax not booked in previous periods	-	48.246
Effect of other non-taxable income and other (*)	(255.825)	17.114
Tax income	**(611.062)**	**(147.240)**

(*) TL 328,652 of the relevant amount is the effect of Pillar 2 additional tax.

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21. Taxation *(continued)*

Taxes payable on income

	31 December 2024	31 December 2023
Prepaid taxes and funds	405.814	10.506
Prepaid taxes, net	**405.814**	**10.506**

Deferred tax assets and liabilities

Deferred tax is provided in respect of taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences relating to goodwill not deductible for tax purposes and the initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Recognised deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities at 31 December 2024 and 2023 are attributable to the items detailed in the table below:

	Assets		*Liabilities*		*Net*	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Provision for severance payment	2.845	2.919	-	-	2.845	2.919
Property, plant and equipment and intangible assets and investment properties	47.089	171.833	-	-	47.089	171.833
Inventories and others	-	90	(246.712)	(358.130)	(246.712)	(358.040)
IAS 39 effect on loans and borrowings	21.503	26.281	-	-	21.503	26.281
Contract Progress	-	-	(4.956)	(36.474)	(4.956)	(36.474)
Tax losses carried forward	2.032	2.436	-	-	2.032	2.436
Deferred revenue	-	-	(358.928)	(352.847)	(358.928)	(352.847)
Total deferred tax assets/(liabilities)					**(537.127)**	**(543.892)**

	31 December 2024	31 December 2023
1 January	**(543.892)**	**(230.273)**
Recognized in other comphrensive income	(1.103)	1.154
Current year income / expense	106.996	(147.033)
Currency translation differences	(99.128)	(167.740)
Total	**(537.127)**	**(543.892)**

According to the Tax Procedural Law in Turkey, statutory losses can be carried forward maximum for five years. Consequently, 2027 is the latest year for recovering the deferred tax assets arising from such tax losses carried forward. At the end of the reporting period, the Group has a financial loss of TL 648.652 (31 December 2023: TL 164.259) that can be offset against future profits. The table below shows the expiration date of the tax losses (deferred tax effect) carried forward:

Date of expire	2024	2023
2024	-	1.494
2025	4.686	4.686
2026	156.668	156.668
2027	-	-
2028	1.290	1.411
2029	486.009	-
Total	**648.652**	**164.259**

(*) As at December 31, 2024 deferred tax asset recognized from tax losses carried forwards is amounting to TL 8.130 (31 December 2023: TL 8.130).

22. Capital and reserves

Paid in capital

At 31 December 2024, the Company's statutory nominal value of authorised and paid-in share capital is TL 1.671.503 (31 December 2023: TL 1.001.503) comprising of 1.671.503.262 registered shares (31 December 2023: 1.001.503.262) having per value of TL 1 full (31 December 2023: TL 1 full) nominal each. Business combination under common control account includes paid-in share capital amounting to TL 109.580 (31 December 2023: TL 109.580).

Based on the Extraordinary General Assembly Decision on 27 August, 2024, the Company increased its capital by 670.000 TL from TL 1.001.503 to TL 1.671.503.

At 31 December, the shareholding structure of Gap İnşaat based on the number of shares is presented below:

	31 December 2024		31 December 2023	
			TL	%
Çalık Holding Anonim Şirketi	1.559.212	99,8	889.212	99,7
Other	2.711	0,2	2.711	0,3
	1.561.923	**100%**	**891.923**	**100%**
Inflationary effect	4.590		4.590	
Total	**1.566.513**		**896.513**	

Legal reserves

The legal reserves are established by annual appropriations amounting to 5 percent of income disclosed in the Group's statutory accounts until it reaches 20 percent of paid-in share capital (first legal reserve). Without limit, a further 10 percent of dividend distributions in excess of 5 percent of share capital is to be appropriated to increase legal reserves (second legal reserve). The first legal reserve is restricted and is not available for distribution as dividend unless it exceeds 50 percent of share capital. In the accompanying consolidated financial statements, the total of the legal reserves of the consolidated entities amounted to TL 239.078 as at 31 December 2024 (31 December 2023: TL 239.078).

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

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23. Revenue and cost of sales

For the years ended 31 December 2024 and 2023, revenue comprised the following:

	1 January-31 December 2024	1 January-31 December 2023
Revenue	**14.000.809**	**6.240.244**
Export sales	13.163.039	5.292.209
Domestic sales	837.770	948.035
Sales discounts (-)		-
Cost of sales (-)	**(12.852.673)**	**(5.320.080)**
Gross profit	**1.148.136**	**920.164**

For the years ended 31 December 2024 and 2023, details of the revenue comprised the following:

	1 January-31 December 2024	1 January-31 December 2023
Revenue from customer contracts	13.345.688	5.247.798
Revenue from sales of real estates	461.788	845.508
Rental income	166.595	129.973
Other operations	26.738	16.965
Total	**14.000.809**	**6.240.244**

For the years ended 31 December 2024 and 2023, cost of sales comprised the following:

	1 January-31 December 2024	1 January-31 December 2023
Change in inventories and materials used (*)	10.743.627	4.309.385
Personnel expenses	1.547.539	703.837
Depreciation and amortisation expenses (Note 12,13)	113.050	87.344
Taxes, duties and fees	198.304	73.863
Maintenance and repair expenses	37.505	33.254
Travel and accommodation expenses	13.716	11.344
Rent expenses	27.621	22.970
Consultancy expenses	74.137	22.489
Representation expenses	17.073	7.479
Office expenses	21.542	10.837
Insurance expenses	12.961	5.539
Other	45.598	31.739
Total	**12.852.673**	**5.320.080**

(*) During the year 2024, the Group received an amount of QAR 54,886 as Government grant pertains to reimbursement of costs as compensation for expenses already incurred. Out of the amount received, the Group distributed QR 26,844 to the subcontractors for their respective claims within the year. Accordingly, the Group received QR 28,041 as compensation to cost escalations in past years. The Group considered this as Government grant received to compensate the cost and netted off with the subcontractor cost.

24. General administrative, marketing expenses and expenses by nature

	1 January- 31 December 2024	1 January- 31 December 2023
General administrative expenses	669.797	331.941
Marketing expenses	122.170	170.407
Total	**791.967**	**502.348**

General administrative expenses

For the years ended 31 December 2024 and 2023, general administrative expenses comprised the following:

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	381.173	173.419
Service expenses	127.382	71.736
Consultancy expenses	52.191	27.808
Rent expenses	32.359	16.851
Representation expenses	23.092	10.408
Travel and accommodation expenses	14.094	13.298
Depreciation and amortisation expenses (Note 12, 13)	12.201	6.170
Maintenance and repair expenses	1.814	1.116
Taxes, duties and fees	1.450	789
Communication and information expenses	911	505
Other	23.130	9.841
Total	**669.797**	**331.941**

Marketing expenses

For the years ended 31 December 2024 and 2023, marketing expenses comprised the following:

	1 January- 31 December 2024	1 January- 31 December 2023
Travel and accommodation expenses	26.087	17.490
Advertisement and promotion expenses	23.548	19.158
Personnel expenses	23.078	23.079
Consultancy expenses	20.831	13.807
Commission expenses	11.215	85.444
Representation expenses	5.277	2.203
Taxes, duties and fees	2.389	2.100
Rent expenses	1.953	663
Communication and information expenses	620	379
Other	7.172	6.084
Total	**122.170**	**170.407**

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24. General administrative expenses, marketing expenses and expenses by nature *(continued)*

Expenses by nature

For the years ended 31 December 2024 and 2023, expenses by nature comprised the following:

	1 January- 31 December 2024	1 January- 31 December 2023
Change in inventories and materials used	10.743.627	4.309.385
Personnel expenses	1.951.790	900.335
Taxes, duties and fees	202.143	76.752
Consultancy expenses	147.159	64.104
Service expenses	127.382	71.736
Depreciation and amortisation expenses (Note 12, 13)	125.251	93.514
Rent expenses	61.933	40.484
Travel and accommodation expenses	53.897	42.132
Representation expenses	45.442	20.090
Maintenance and repair expenses	39.319	34.370
Advertising and promotion expenses	23.548	19.158
Office expenses	21.542	10.837
Insurance expenses	12.961	5.539
Commission expenses	11.215	85.444
Communication and information expenses	1.531	884
Other	75.900	47.664
Total	**13.644.640**	**5.822.428**

For the years ended 31 December 2024 and 2023, personnel expenses comprised the following:

Personnel expenses	1 January- 31 December 2024	1 January- 31 December 2023
Wage and salaries	1.957.790	900.335
Total	**1.957.790**	**900.335**

For the years ended 31 December 2024 and 2023, depreciation and amortisation expenses were allocated as follows:

Depreciation and amortisation expenses	1 January- 31 December 2024	1 January- 31 December 2023
Cost of sales	113.050	87.344
General administrative expenses	12.201	6.170
Total	**125.251**	**93.514**

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25. Other income and expenses

For the years ended 31 December 2024 and 2023, other income comprised the following:

	1 January-31 December 2024	1 January-31 December 2023
Foreign exchange gains	380.752	241.357
Other income from operating activities	17.895	23.239
Provisions no longer required	1.496	-
Total	**400.143**	**264.596**

For the years ended 31 December 2024 and 2023, other expenses comprised the following;

	1 January-31 December 2024	1 January-31 December 2023
Foreign exchange losses	170.659	396.498
Other expense from operating activities	50.564	7.472
Provision expenses	-	48.074
Total	**221.223**	**452.044**

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26. Gains and losses from investing activities

For the years ended 31 December 2024 and 2023, gains from investing activities comprised the following:

	1 January-31 December 2024	1 January-31 December 2023
Increase in the fair value of investment properties (Note 14)	590.871	133.346
Gain on sales of subsidiary	2.616	-
Dividend income	41	103
Gain on sale of property, plant and equipment	117	10
Total	**593.645**	**133.459**

For the years ended 31 December, losses from investing activities comprised the following:

	1 January-31 December 2024	1 January-31 December 2023
Loss on sale of property, plant and equipment	228	-
Total	**228**	**-**

27. Finance income / (expense)

Finance income

For the years ended 31 December 2024 and 2023, finance income comprised the following:

	1 January-31 December 2024	1 January-31 December 2023
Interest income from receivables (*)	607.453	22.613
Foreign exchange gains on loans and financing	238.595	894.941
Interest income	1.615	24.630
Total	**847.663**	**942.184**

(*) TL 460.460 of the relevant amount consists of the maturity difference income calculated for the long-term receivables from related parties.

Finance expenses

For the years ended 31 December 2024 and 2023, finance expense comprised the following:

	1 January-31 December 2024	1 January-31 December 2023
Interest expenses on borrowings	841.605	423.877
Bank commission expenses	59.666	13.159
Other bank charges	38.610	12.672
Interest expenses	24.934	44.266
Expenses on letters of guarantee obtained	12.953	1.538
Foreign exchange losses on loans and financing	6.455	4.109
Total	**984.223**	**499.621**

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28. Financial instruments – Fair values and risk management

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

Risk management activities are conducted by a realistic organizational structure and it is fully supported with the commitment of top level management.

Group acts proactively in terms of risk management in order to ensure that its business operations in different industries and regions are not adversely affected as a result of market, operational, liquidity and counterparty risks. Risk Management and internal audit departments within Çalık Holding Anonim Şirketi, the Company and at the Group level provide and maintain awareness for different types of risks, including emerging risks, and ensure that appropriate risk management mechanisms are in place.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

The Group's principal financial assets are cash and cash equivalents, financial investments, trade receivables and other receivables. The Group requires a certain amount of collateral in respect of its accounts receivable. Credit evaluations are performed on all customers requiring credit over a certain amount on individual level.

On a certain real estate development project in Turkey, the Group works with state-owned enterprise and for the abroad construction projects, the customers of the Group are state-owned enterprises. Therefore, the Group assess its credit risk as low for those customers. Also, the Group places its cash at reputable banks.

At reporting date, there were significant concentrations of credit risk which are derived from receivables state owned enterprises. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

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28. Financial instruments – Fair values and risk management *(continued)*

Credit risk *(continued)*

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2024 is:

	Receivables					
	Trade receivables		Other receivables			
31 December 2024	**Related party**	**Third party**	**Related party**	**Third party**	**Cash and cash equivalent**	**Contract Asset**
Maximum credit risk exposure at reporting date (A+B+C+D)	**6.515**	**166.693**	**11.356.409**	**2.770.296**	**1.693.475**	**8.682.780**
-Portion of maximum risk covered by guarantees	-	-	-	-	-	-
A. Carrying value of financial assets that are neither past due nor impaired	6.515	99.689	11.356.409	2.770.296	1.693.475	8.682.780
B. Carrying value of financial assets that are past due but not impaired	-	67.004	-	-	-	-
C. Carrying value of impaired assets	-	-	-	-		-
- Past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
D. Elements including credit risk on off statement of financial position	-	-	-	-	-	-

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28. Financial instruments – Fair values and risk management *(continued)*

Credit risk *(continued)*

Exposure to credit risk *(continued)*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2023 was:

	Receivables					
	Trade receivables		Other receivables			
31 December 2023	Related party	Third party	Related party	Third party	Cash and cash equivalent	Contract Asset
Maximum credit risk exposure at reporting date (A+B+C+D)	**21.297**	**600.471**	**10.547.092**	**1.694.303**	**1.352.605**	**3.372.137**
-Portion of maximum risk covered by guarantees	-	-	-	-	-	-
A. Carrying value of financial assets that are neither past due nor impaired	21.297	530.887	10.547.092	1.694.303	1.352.605	3.372.137
B. Carrying value of financial assets that are past due but not impaired	-	69.584	-	-	-	-
C. Carrying value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
D. Elements including credit risk on off statement of financial position	-	-	-	-	-	-

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28. Financial instruments – Fair values and risk management *(continued)*

Credit risk *(continued)*

Impairment losses

The aging of trade receivables at the reporting date was:

	31 December 2024		31 December 2023	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Past due 0-30 days	1.010	-	5.155	-
Past due 31-120 days	3.561	-	32.400	-
Past due 121-365 days	29.114	-	8.005	-
More than one year	33.319	-	24.024	-

Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Group has access to funding sources from banks and keeps certain level assets as cash and cash equivalents. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

As at 31 December 2024 and 2023, the followings are carrying amounts, contractual cash flows and the contractual maturities of financial liabilities;

	31 December 2024					
	Carrying amount	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than five year
Non-derivative financial liabilities						
Borrowings	6.110.900	6.617.286	1.689.315	4.018.343	477.028	432.600
Bonds	674.518	769.310	57.155	712.155	-	-
Trade payables	1.999.452	1.999.452	-	1.999.452	-	-
Other payables	1.255.755	1.255.755	-	583.644	672.111	-
Employee benefit obligations	27.441	27.441	-	27.441	-	-
	10.068.066	**10.669.244**	**1.746.470**	**7.341.035**	**1.149.139**	**432.600**

	31 December 2023					
	Carrying amount	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than five year
Non-derivative financial liabilities						
Borrowings	3.567.410	4.405.388	1.558.015	1.704.667	542.785	599.921
Bonds	867.581	1.150.960	64.287	338.980	747.693	-
Trade payables	1.315.184	1.315.184	-	1.315.184	-	-
Other payables	678.196	678.196	-	145.353	532.843	-
Employee benefit obligations	14.967	14.967	-	14.967	-	-
	6.443.338	**7.564.695**	**1.622.302**	**3.519.151**	**1.823.321**	**599.921**

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28. Financial instruments – Fair values and risk management *(continued)*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, such as six months Libor and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's business strategies.

Profile

As at 31 December 2024 and 2023, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

		2024	**2023**
	Fixed-rate instruments		
Financial liabilities	TL	10.566	192.108
Financial liabilities	USD	4.545.760	2.046.809
Financial liabilities	EUR	1.095.485	888.722
Financial liabilities	TMT	-	-
	Variable-rate instruments		
Financial liabilities	TL	459.089	439.771
Financial liabilities	TL	674.518	867.581

Fair value sensitivity analysis for variable rate instruments

The Group is exposed to interest rate risk due to bonds and sukuk agreements with variable interest rate. A change of 1% points in interest rates as at 31 December 2024 would have increased / (decreased) profit or loss by TL 21.005 (31 December 2023: TL 6.248). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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28. Financial instruments – Fair values and risk management *(continued)*

Market risk *(continued)*

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are TL and Euro.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group is exposed to currency risk through the impact of rate changes on the translation of foreign currency denominated payables and bank borrowings from financial institutions. Such risk is monitored by the Board of Directors and limited through taking positions within approved limits as well as using derivative instruments where necessary.

At 31 December 2024, the currency risk exposures of the Group in TL equivalents are as follows:

CURRENCY POSITION STATEMENT	**31 December 2024**			
	TL equivalent	**TL**	**EUR**	**Other(*)**
1.Trade receivables	56.452	56.452		-
2a.Monetary financial assets (including cash on hand, bank deposits) (*)	2.159.098	1.152.113	550	986.780
2b.Non-monetary financial assets	--	--	--	0
3. Other	356.690	200.803	2.283	72.018
4. Current assets (1+2+3)	**2.572.240**	**1.409.368**	**2.833**	**1.058.798**
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	423	423	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	**423**	423	--	--
9. Total assets (4+8)	**2.572.663**	**1.409.791**	**2.833**	**1.058.798**
10. Trade payables	(599.196)	(159.021)	(11.109)	(32.073)
11. Financial liabilities	(1.780.557)	(685.084)	(29.820)	--
12a. Other monetary liabilities	(95.361)	(64.655)	(300)	(19.685)
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	**(2.475.114)**	**(908.760)**	**(41.229)**	**(51.758)**
14. Trade payables	--	--	--	--
15. Financial liabilities	(459.089)	(459.089)	--	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	**(459.089)**	**(459.089)**	--	--
18. Total liabilities (13+17)	**(2.934.203)**	**(1.367.849)**	**(41.229)**	**(51.758)**
19. Net position of off-statement of financial position derivate instruments (19a+19b)	--	--	--	--
19a. Total hedged assets(**)	--	--	--	--
19b. Total hedged liabilities (**)	--			--
20. Net statement of financial position (9+18+19)	**(361.540)**	**41.942**	**(38.396)**	**1.007.040**
21. Net statement of monetary items (IFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	**(718.653)**	**(159.284)**	**(40.679)**	**935.022**

(*) TL equivalents are given.

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28. Financial instruments – Fair values and risk management *(continued)*

Market risk *(continued)*

Currency risk *(continued)*

At 31 December 2023, the currency risk exposures of the Group in TL equivalents are as follows:

CURRENCY POSITION STATEMENT	31 December 2023			
	TL equivalent	TL	EUR	Other(*)
1.Trade receivables	30.124	30.124	-	-
2a.Monetary financial assets (including cash on hand, bank deposits) (*)	1.729.203	962.029	1.631	714.042
2b.Non-monetary financial assets	-	-	-	-
3. Other	216.017	83.014	2.056	66.027
4. Current assets (1+2+3)	**1.975.344**	**1.075.167**	**3.687**	**780.069**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	928	**928**	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	**928**	**928**	-	-
9. Total assets (4+8)	**1.976.272**	**1.076.095**	**3.687**	**780.069**
10. Trade payables	(202.351)	(71.917)	(3.078)	(30.165)
11. Financial liabilities	(1.023.011)	(182.585)	(25.799)	--
12a. Other monetary liabilities	(51.683)	(37.381)	(284)	(5.050)
12b. Other non-monetary liabilities	-	-	-	-
13. Short term liabilities (10+11+12)	**(1.277.045)**	**(291.883)**	**(29.161)**	**(35.215)**
14. Trade payables	-	-	-	-
15. Financial liabilities	(497.571)	(449.294)	(1.482)	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Long term liabilities (14+15+16)	**(497.571)**	**(449.294)**	**(1.482)**	-
18. Total liabilities (13+17)	**(1.774.616)**	**(741.177)**	**(30.643)**	**(35.215)**
19. Net position of off-statement of financial position derivate instruments (19a+19b)	-	-	-	-
19a. Total hedged assets(**)	-	-	-	-
19b. Total hedged liabilities (**)	-	-	-	-
20. Net statement of financial position (9+18+19)	**201.656**	**334.918**	**(26.956)**	**744.854**
21. Net statement of monetary items (IFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	**(14.361)**	**251.904**	**(29.012)**	**678.827**

(*) TL equivalents are given.

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28. Financial instruments – Fair values and risk management *(continued)*

Market risk *(continued)*

Currency risk *(continued)*

Sensitivity analysis

In the event that the US Dollar depreciates / gains 10 percent against the following currencies as of December 31, 2024 and 2023, profit or loss and equity before tax will increase (decrease) in the amounts shown below. In this analysis, it is assumed that other variables, especially interest rates, remain constant.

Currency risk sensitivity analysis table		
31 December 2024		
	Profit/(loss)	
	Strengthening of foreign currency	Weakening of foreign currency
Increase/(decrease) 10% of Eur parity		
1- Eur net asset / liability	(141.052)	141.052
2- Hedged portion of Eur amounts(-)	-	-
3- Net effect of Eur (1+2)	**(141.052)**	**141.052**
Increase/(decrease) 10% of other parity		
4- Other net asset / liability	100.704	(100.704)
5- Hedged portion of other amounts(-)	-	-
6- Net effect of other (4+5)	**100.704**	**(100.704)**
Increase/(decrease) 10% of TL parity		
7- TL net asset / liability	4.194	(4.194)
8- Hedged portion of TL amounts(-)	-	-
9- Net effect of TL (7+8)	**4.194**	**(4.194)**
Total (3+6+9)	**(36.154)**	**36.154**

Currency risk sensitivity analysis table		
31 December 2023		
	Profit/(loss)	
	Strengthening of foreign currency	Weakening of foreign currency
Increase/(decrease) 10% of Eur parity		
1- Eur net asset / liability	(87.812)	87.812
2- Hedged portion of Eur amounts(-)	-	-
3- Net effect of Eur (1+2)	**(87.812)**	**87.812**
Increase/(decrease) 10% of other parity		
4- Other net asset / liability	74.485	(74.485)
5- Hedged portion of other amounts(-)	-	-
6- Net effect of other (4+5)	**74.485**	**(74.485)**
Increase/(decrease) 10% of TL parity		
7- TL net asset / liability	(53.266)	53.266
8- Hedged portion of TL amounts(-)	-	-
9- Net effect of TL (7+8)	**(53.266)**	**53.266**
Total (3+6+9)	**(66.593)**	**66.593**

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28. Financial instruments – Fair values and risk management *(continued)*

Capital management

The Group's objectives when managing capital include:

- to comply with the capital requirements required by the regulators of the financial markets where the Group operates;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

The Group's debt to equity ratio at the end of year was as follows:

	2024	2023
Total debts including loans and borrowings	6.785.418	4.434.991
Less: cash and cash equivalents	(1.696.501)	(1.357.443)
Net debt	**5.088.917**	**3.077.548**
Equity	**11.657.498**	**10.364.332**
Debt to equity ratio at 31 December	**43,65%**	**29,69%**

Fair value information

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted market price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Investment property under construction is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin.

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28. Financial instruments – Fair values and risk management *(continued)*

Fair value information *(continued)*

The table below provides reconciliation between line items in the consolidated statement of financial position and categories of financial instruments.

31 December 2024	Financial assets at amortised cost	Fair value difference to profit/loss measured by reflection financial assets	Other financial liabilities	Total carrying amount
Cash and cash equivalents	1.696.501	-	-	1.696.501
Financial investments	12.510	-	-	12.510
Trade receivables	173.208	-	-	173.208
Other receivables	14.126.705	-	-	14.126.705
Total assets	**16.008.924**	**-**	**-**	**16.008.924**
Borrowings	-	-	6.785.418	6.785.418
Trade payables	-	-	1.999.452	1.999.452
Other payables	-	-	1.255.755	1.255.755
Total liabilities	**-**	**-**	**10.040.625**	**10.040.625**

31 December 2023	Financial assets at amortised cost	Fair value difference to profit/loss measured by reflection financial assets	Other financial liabilities	Total carrying amount
Cash and cash equivalents	1.357.443	-	-	1.357.443
Financial investments	260	-	-	260
Trade receivables	621.768	-	-	621.768
Other receivables	12.241.395	-	-	12.241.395
Total assets	**14.220.866**	**-**	**-**	**14.220.866**
Borrowings	-	-	4.434.991	4.434.991
Trade payables	-	-	1.315.184	1.315.184
Other payables	-	-	678.196	678.196
Total liabilities	**-**	**-**	**6.428.371**	**6.428.371**

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28. Financial instruments – Fair values and risk management *(continued)*

Fair value information *(continued)*

Fair value hierarchy

The fair value hierarchy consists of three levels, depending upon whether fair values are determined based on quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable, and which have significant impact on the fair value of the instrument (Level 3):

Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: This category includes inputs that are quoted market prices (unadjusted) in active markets for identical instruments. These are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is representative of that being priced in the Group's portfolio.
- Level 2: This category includes inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: This category includes all instruments where the valuation technique uses inputs based on unobservable data, which could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant, unobservable adjustments or assumptions are required to reflect differences between instruments.

Unobservable in this context means that there is little or no current market data available from which the price at which an arm's length transaction would be likely to occur can be derived.

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29. Fees for services received from an independent audit firm/independent auditor

The Company's explanation of the fees for services received from the independent audit firms, which is prepared due to Board Decision published in the Official Gazette on March 30, 2021 by POA and preparation principles are based on the letter dated August 19, 2021 of POA, are as follows:

	31 December 2024	31 December 2023
Independent audit fee for the reporting period (*)	7.239	3.404
Fee for the tax consultancy (*) (**)	367	266
Total	**7.606**	**3.670**

(*) The foreign currency fees of the foreign subsidiary are translated into TL using the annual average rate of the relevant year.
(**) It consists of the transfer pricing and master file/ local file services fee.

The above fees determined to include all subsidiaries' statutory audit and other related service fees.

30. Subsequent events

Within the scope of the Qatar Project, there is a dispute between the Group and the subcontractor InVeris Training Solutions, Inc (InVeris). As of March 24, 2025, InVeris has submitted a request for arbitration to the International Chamber of Commerce Paris and has submitted its claims and demands. The Group have responded to these claims and assert counterclaims. Once the arbitral tribunal is constituted, a procedural timetable will be determined and the parties will present their defenses accordingly. The process is ongoing and the Group management has not recognized any provision in the consolidated financial statements.

GLOSSARY

IIRC: International Integrated Reporting Council

SDGs: Sustainable Development Goals

IPCC: Intergovernmental Panel on Climate Change

IEA: International Energy Agency

LEED: Leadership in Energy and Environmental Design

BREAM: Building Research Establishment Environmental Assessment Method

OECD: Organization for Economic Co-operation and Development

BIM: Building Information Modelling

ISO: International Organization for Standardization

HSE: Health, Safety and Environment

EIA: Environmental Impact Assessment

OHS: Occupational Health and Safety

SLC: Supplier Lifecycle Management

EPC: Engineering, Procurement and Construction

UNEP: United Nations Environment Programme

HSE-Q: Health, Safety, Environment and Quality

LTIFR: Lost Time Injury Frequency Rate

DEIK: Foreign Economic Relations Board of Türkiye

HIB: Service Exporters' Association

TMB: Turkish Contractors Association

ENR: Engineering News-Record

PDP: Public Disclosure Platform

ESG: Environmental, Social, and Governance

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https://www.gapinsaat.com/tr/surdurulebilirlik.html#1

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