NUROL HOLDİNG A.Ş.
AND ITS SUBSIDIARIES
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
01 JANUARY - 30 JUNE 2024
TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT
(ORIGINALLY ISSUED IN TURKISH)

Nurol Holding A. Ş. and Its Subsidiaries

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Convenience translation into English originally issued in Turkish)

Nurol Holding A.Ş.
To the Shareholders and the Board of Directors of
Ankara

A) Independent Audit of the Consolidated Financial Statements

1) Opinion

We have reviewed the accompanying interim condensed consolidated financial statements of Nurol Holding A.Ş. ("the Company") and its subsidiaries, (together "the Group"), which comprise the condensed consolidated interim balance sheet as at 30 June 2024 and the interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

2) Scope of Limited Audit

We have conducted our review in accordance with International Standard on Review Engagements (ISRE 2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

3) Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.

Eren Bağımsız Denetim Anonim Şirketi
A member firm of Grant Thornton International

Nazım Hikmet
Partner

30 September 2024
İstanbul, Turkey

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
STATEMENT OF CONDENSED CONSOLIDATED FINANCIAL POSITION AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

(Convenience Translation of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish)
(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

ASSETS	**Notes**	**Reviewed Current Period 30 June 2024**	**Reviewed Current Period 30 June 2024**	**Audited Prior Period 31 December 2023**	**Audited Prior Period 31 December 2023**
		TL	**USD**	**TL**	**USD**
Current Assets					
Cash and Cash Equivalents	6	12.002.572	365.640	13.206.184	359.649
- Group Companies	*6*	*6.083.074*	*185.312*	*6.377.315*	*173.676*
- Nurol Investment Bank	*6*	*5.919.498*	*180.328*	*6.828.869*	*185.973*
Financial Investments	8	323.110	9.843	104.158	2.837
Trade Receivables					
- Trade Receivables Due from Related Parties	*5*	*104.128*	*3.172*	*78.151*	*2.128*
- Trade Receivables Due from Third Parties	*7*	*4.711.753*	*143.536*	*5.688.697*	*154.923*
Other Receivables					
- Other Receivables Due from Related Parties	*5*	*98.148*	*2.990*	*455.053*	*12.393*
- Other Receivables Due from Third Parties	*12*	*1.010.786*	*30.792*	*1.079.231*	*29.391*
Receivables from Financial Sector Activities	9	19.433.176	592.002	14.079.171	383.424
Derivative Financial Assets		499.989	15.231	336.197	9.156
Inventories	13	10.360.494	315.617	10.877.237	296.224
Unbilled Contract Costs	15	6.550.784	199.560	10.699.349	291.380
Prepaid Expenses	14	2.346.579	71.485	2.022.168	55.071
Current Tax Assets	32	339.825	10.352	104.581	2.848
Other Current Assets	25	2.919.421	88.936	2.608.819	71.047
Total Current Assets		**60.700.765**	**1.849.156**	**61.338.996**	**1.670.471**
Non - Current Assets					
Trade Receivables					
- Trade Receivables Due from Related Parties	*5*	--	--	*3.685*	*100*
- Trade Receivables Due from Third Parties	*7*	--	--	--	--
Other Receivables					
- Other Receivables Due from Related Parties	*5*	--	--	*209.658*	*5.710*
- Other Receivables Due from Third Parties	*12*	*55.306*	*1.685*	*3.071.376*	*83.644*
Receivables from Financial Sector Activities	*9*	7.398.166	225.374	9.331.918	254.140
Derivative Financial Assets		--		48.151	1.311
Investments in Associates	16	407.967	12.428	39.885	1.086
Investments Recognized Using the Equity Method	17	33.922.432	1.033.395	36.196.846	985.763
Unbilled Contract Costs	15	4.446.763	135.464	2.085.053	56.783
Investment Properties	20	16.457.193	501.343	17.455.690	475.378
Property, Plant and Equipment	19	24.713.003	752.844	26.676.980	726.505
Intangible Assets and Goodwill					
-Goodwill	*18*	*236.308*	*7.199*	*236.308*	*6.435*
-Other Intangible Assets	*22*	*3.026.123*	*92.186*	*3.102.298*	*84.486*
Prepaid Taxes and Funds	32	954.683	29.083	312.682	8.515
Prepaid Expenses	14	148.435	4.522	201.723	5.494
Deferred Tax Asset	32	7.588.374	231.168	7.304.589	198.929
Other Non-Current Assets	25	234.939	7.157	586.443	15.971
Total Non - Current Assets		**99.589.692**	**3.033.848**	**106.863.285**	**2.910.250**
TOTAL ASSETS		**160.290.457**	**4.883.004**	**168.202.281**	**4.580.721**

The accompanying notes are an integral part of these interim condensed consolidated interim financial statements.

(*) The U.S. dollar amounts provided above have been converted from Turkish Lira using the exchange rates announced by the Central Bank of the Republic of Turkey. This conversion is for presentation purposes only and does not constitute any part of these financial statements or the accompanying explanatory notes.

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2024

(Convenience Translation of Condensed Consolidated Financial Statements Originally Issued in Turkish)

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

LIABILITIES	**Notes**	**Reviewed Current Period 30 June 2024**	**Reviewed Current Period 30 June 2024**	**Audited Prior Period 31 December 2023**	**Audited Prior Period 31 December 2023**
		TL	**USD**	**TL**	**USD**
Current Liabilities					
Current Borrowings	10	27.816.399	847.384	24.494.824	667.077
- Group Companies	*10*	*21.257.743*	*647.585*	*21.013.484*	*572.269*
- Nurol Investment Bank	*10*	*6.558.656*	*199.799*	*3.481.340*	*94.809*
Funds Borrowed	11	9.355.781	285.010	11.214.110	305.398
Trade Payables					
-Trade Payables to Related Parties	*5*	*44.121*	*1.344*	*42.493*	*1.157*
-Trade Payables to Third Parties	*7*	*23.145.967*	*705.107*	*24.888.568*	*677.800*
Payables Related to Employee Benefits	24	347.713	10.593	207.648	5.655
Other Payables					
-Other Payables to Related Parties	*5*	*77*	*2*	*51.004*	*1.389*
-Other Payables to Third Parties	*12*	*1.653.505*	*50.372*	*1.928.998*	*52.533*
Derivative Financial Liabilities		1.214.130	36.987	1.019.882	27.775
Deferred Income	14	4.839.306	147.422	5.377.314	146.443
Current Tax Liabilities	32	411.065	12.522	553.849	15.083
Deferred Contract Revenue	15	1.331.708	40.568	139.660	3.803
Current Provisions					
- Current Provisions for Employee Benefits	*24*	*231.718*	*7.059*	*241.167*	*6.568*
-Other Current Provisions	*23*	*1.647.420*	*50.186*	*2.060.332*	*56.110*
Other Current Provisions	25	1.897.294	57.798	1.752.013	47.713
Total Current Liabilities		**73.936.204**	**2.252.354**	**73.971.862**	**2.014.505**
Non - Current Borrowings					
Non - Current Borrowings	10	18.422.040	561.199	21.280.720	579.546
- Group Companies	*10*	*18.422.040*	*561.199*	*21.280.720*	*579.546*
- Nurol Investment Bank	*10*	--	--	--	--
Trade Payables					
-Trade Payables to Related Parties	*5*	--	--	--	--
-Trade Payables to Third Parties	*7*	*3.701.928*	*112.774*	*4.307.524*	*117.309*
Other Payables					
-Other Payables to Related Parties	*5*	--	--	--	--
-Other Payables to Third Parties	*12*	*2.666.364*	*81.227*	*2.619.562*	*71.340*
Derivative Financial Liabilities		1.174.801	35.789	582.414	15.861
Deferred Income	14	940.457	28.650	769.386	20.953
Non - Current Provisions					
-Non – Current Provisions for Employee Benefits	*24*	*360.213*	*10.973*	*336.742*	*9.171*
-Other Non - Current Provisions	*23*	*687.877*	*20.955*	*792.857*	*21.592*
Other Non – Current Liabilities	25	88	3	87	2
Deferred Tax Liabilities	32	2.068.512	63.014	3.021.547	82.287
Total Non – Current Liabilities		**30.022.280**	**914.584**	**33.710.839**	**918.061**
Total Liabilities		**103.958.484**	**3.166.938**	**107.682.701**	**2.932.566**

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NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2024
(Convenience Translation of Condensed Consolidated Financial Statements Originally Issued in Turkish)
(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

Equity	**Notes**	**Reviewed Current Period 30 June 2024**	**Reviewed Current Period 30 June 2024**	**Audited Prior Period 31 December 2023**	**Audited Prior Period 31 December 2023**
		TL	**USD**	**TL**	**USD**
Paid-in-Capital	26	776.000	23.640	776.000	21.133
Capital Adjustment Differences	26	12.211.548	372.006	12.211.548	332.562
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss					
- Losses on Remeasurements of Defined Benefit Plans	26	(143.127)	*(4.360)*	(109.034)	*(2.969)*
- Increases on Revaluation of Property, Plant and Equipment	26	4.053.103	*123.472*	4.040.312	*110.031*
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss					
- Foreign Currency Exchange Differences	26	12.777.634	*389.251*	13.641.737	*371.511*
- Change in fair value of available-for-sale financial assets	26	32.303	*984*	177.561	*4.836*
- Losses on Cash Flow Hedges	26	(1.454.673)	*(44.314)*	(1.067.699)	*(29.077)*
Losses on Cash Flow Hedges	26	1.253.992	38.201	1.465.918	39.922
Retained Earnings		26.271.542	800.322	15.318.611	417.178
Profit / (loss) for the period		(714.882)	(22.633)	12.423.326	419.392
Non – Controlling Interests	26	1.268.533	38.644	1.641.300	44.698
Total Equity		**56.331.973**	**1.715.213**	**60.519.580**	**1.729.217**
Transaction differences		--	853	--	(81.062)
TOTAL LIABILITIES AND EQUITY		**160.290.457**	**4.883.004**	**168.202.281**	**4.580.721**

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NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
STATEMENTS
OF CONDENSED CONSOLIDATED PROFIT OR LOSS
FOR THE SIX MONTHS PERIOD ENDED 1 JANUARY – 30 JUNE 2024 AND 2023

(Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish)

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

	Notes	Reviewed Current Period 1 January 30 June 2024	Reviewed Current Period 1 January 30 June 2024	Reviewed Prior Period 1 January 30 June 2023	Reviewed Prior Period 1 January 30 June 2023
		TL	**USD**	**TL**	**USD**
Revenue	27	18.546.998	587.202	21.335.783	627.271
Revenue from Financial Sector Activities	27	5.293.929	167.607	4.325.664	127.174
		23.840.927	754.809	25.661.447	754.445
Cost of Sales (-)	27	(13.087.781)	(414.362)	(15.028.467)	(441.836)
Cost of Sales from Financial Sector Activities (-)	27	(3.436.614)	(108.804)	(1.576.847)	(46.359)
		(16.524.395)	(523.166)	(16.605.314)	(488.195)
Gross Profit		**7.316.532**	**231.643**	**9.056.133**	**266.250**
General Administrative Expenses (-)		(1.817.704)	(57.549)	(1.694.860)	(49.829)
Marketing Expenses (-)		(419.493)	(13.281)	(203.864)	(5.994)
Research and Development Expenses (-)		(221.872)	(7.025)	(210.838)	(6.199)
Other Income from Operating Activities	29	306.656	9.709	506.433	14.889
Other Expense from Operating Activities (-)	29	(660.634)	(20.916)	(1.874.786)	(55.119)
Profit from Operations		**4.503.485**	**142.581**	**5.578.218**	**163.998**
Share of Profit (Loss) from Investments Using the Equity Method	17	4.907.425	155.370	13.287.665	390.657
Income from Investing Activities	30	346.008	10.955	788.959	23.195
Expense from Investing Activities (-)	30	(25.583)	(810)	(809.468)	(23.798)
Profit before Financing Income		**9.731.335**	**308.096**	**18.845.374**	**554.052**
Finance Income	31	2.299.630	72.807	3.826.078	112.487
Finance Expense (-)	31	(9.893.869)	(313.242)	(15.796.663)	(464.421)
Net Monetary Position		(3.825.262)	(121.109)	(1.279.965)	(37.631)
Profit / (loss) from Continuing Operations		**(1.688.166)**	**(53.448)**	**5.594.824**	**164.487**
Current Period Tax (Expense)	32	(839.417)	(26.576)	(1.295.176)	(38.078)
Deferred Tax Income	32	1.205.608	38.170	(4.976.638)	(146.313)
Loss for the Period		**(1.321.975)**	**(41.854)**	**(676.990)**	**(19.904)**
Profit / (Loss), Attributable to					
Non – Controlling Interests		(607.093)	(19.221)	(835.312)	(24.559)
Owners of Parent		(714.882)	(22.633)	158.322	4.655
(Losses) / Earnings Per Share	**33**	**(2,4859)**	**--**	**(1,9488)**	**--**
EBITDA	**2.7**	**5.103.038**	**161.563**	**7.606.257**	**223.622**
- Group Companies		3.723.355	*117.882*	5.832.740	*171.482*
- Nurol Investment Bank		1.379.683	*43.681*	1.773.517	*52.140*

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 1 JANUARY – 30 JUNE 2024 AND 2023
(Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish)
(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

	Reviewed Current Period 1 January - 30 June 2024	**Reviewed Prior Period 1 January - 30 June 2023**
Loss for the Period	**(1.321.975)**	**(676.990)**
Other Comprehensive Income that will not be Reclassified to Profit or Loss	**(21.302)**	**(70.157)**
-Increases on Revaluation of Property, Plant and Equipment	12.791	(33.901)
-Gain / Loss on Remeasurements of Defined Benefit Plans	(34.093)	(36.256)
Other Comprehensive Income that will be Reclassified to Profit or Loss	**(1.396.335)**	**3.888.107**
-Change in fair value of available-for-sale financial assets	(145.258)	(344.227)
-Losses on Cash Flow Hedges	(386.974)	(421.364)
-Foreign currency translation differences.	(864.103)	4.653.698
Other Comprehensive Income	**(1.417.637)**	**3.817.950**
Total Comprehensive Income	**(2.739.612)**	**3.140.960**
Total Comprehensive Income Attributable to:	**(2.739.612)**	**3.140.960**
Non – Controlling Interests	*(607.093)*	*(835.312)*
Owners of Parent	*(2.132.519)*	*3.976.272*

The accompanying notes are an integral part of these interim condensed consolidated financial statements

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 1 JANUARY – 30 JUNE 2024 AND 2023

(Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish)

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

	Share capital	Share capital adjustment differences	Actuarial gain / (loss)	Revaluation and classification acquisition / (losses)	Foreign currency translation differences	Change in fair value of available-for-sale financial assets	Restricted reserves	Hedge accounting from cash flow risk	Retained earnings	Net profit / (loss)	Equity attributable to equity holders of the parent	Non-controlling interests	Total
Balance at 01 January 2024	**776.000**	**12.211.548**	**(109.034)**	**4.040.312**	**13.641.737**	**177.561**	**1.465.918**	**(1.067.699)**	**15.318.611**	**158.322**	**46.613.276**	**1.641.300**	**48.254.576**
Transfers	--	--	--	--	--	--	(272.753)	--	449.369	(158.322)	18.294	--	18.294
Foreign currency translation	--	--	--	93.506	(864.103)	--	60.827	--	10.521.856	--	9.812.086	--	9.812.086
Gains and losses on cash flow hedges	--	--	--	--	--	--	--	(386.974)	--	--	(386.974)	--	(386.974)
Remeasurement gains/losses on defined benefit plans	--	--	(34.093)	--	--	--	--	--	--	--	(34.093)	--	(34.093)
Dividends	--	--	--	--	--	--	--	--	(18.294)	--	(18.294)	--	(18.294)
Revaluation of tangible fixed assets	--	--	--	(80.715)	--	--	--	--	--	--	(80.715)	--	(80.715)
Minority Interest	--	--	--	--	--	--	--	--	--	--	--	(372.767)	(372.767)
Change in fair value of available-for-sale financial assets)	--	--	--	--	--	(145.258)	--	--	--	--	(145.258)	--	(145.258)
Net profit	--	--	--	--	--	--	--	--	--	(714.882)	(714.882)	--	(714.882)
Balance at 30 June 2024	**776.000**	**12.211.548**	**(143.127)**	**4.053.103**	**12.777.634**	**32.303**	**1.253.992**	**(1.454.673)**	**26.271.542**	**(714.882)**	**55.063.440**	**1.268.533**	**56.331.973**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

	Share capital	Share capital adjustment differences	Actuarial gain / (loss)	Revaluation and classification acquisition / (losses)	Foreign currency translation differences	Change in fair value of available-for-sale financial assets	Restricted reserves	Hedge accounting from cash flow risk	Retained earnings	Net profit / (loss)	Equity attributable to equity holders of the parent	Non-controlling interests	Total
Balance at 01 January 2023	**776.000**	**12.211.548**	**(83.893)**	**4.356.627**	**10.624.882**	**6.347**	**1.520.891**	**(373.127)**	**(1.724.467)**	**16.263.113**	**43.577.921**	**3.044.309**	**46.622.230**
Transfers	--	--	--	--	--	--	--	--	16.263.113	(16.263.113)	--	--	--
Foreign currency translation	--	--	--	(27.739)	4.653.698	--	352.469	--	(1.283.594)	--	3.694.834	--	3.694.834
Gains and losses on cash flow hedges	--	--	--	--	--	--	--	(421.364)	--	--	(421.364)	--	(421.364)
Remeasurement gains/losses on defined benefit plans	--	--	(36.256)	--	--	--	--	--	--	--	(36.256)	--	(36.256)
Dividends	--	--	--	--	--	--	--	--	(10.814)	--	(10.814)	--	(10.814)
Revaluation of tangible fixed assets	--	--	--	(6.162)	--	--	--	--	--	--	(6.162)	--	(6.162)
Minority Interest	--	--	--	--	--	--	--	--	--	--	--	(1.514.364)	(1.514.364)
Adjustment of prior period profit/loss	--	--	--	--	--	--	--	--	15.083	--	15.083	--	15.083
Change in fair value of available-for-sale financial assets)	--	--	--	--	--	(344.227)	--	--	--	--	(344.227)	--	(344.227)
Net profit	--	--	--	--	--	--	--	--	--	158.322	158.322	--	158.322
Balance at 30 June 2023	**776.000**	**12.211.548**	**(120.149)**	**4.322.726**	**15.278.580**	**(337.880)**	**1.873.360**	**(794.491)**	**13.259.321**	**158.322**	**46.627.337**	**1.529.945**	**48.157.282**

The accompanying notes are an integral part of these interim condensed financial statements.

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS CONDENSED CONSOLIDATED
FOR THE THE SIX MONTHS PERIOD ENDED 1 JANUARY – 30 JUNE 2024 AND 2023
(Convenience Translation of Consolidated Financial Statements Originally Issued in Turkish)
(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

	Reviewed Current Period 1 January - 30 June 2024	**Reviewed Prior Period 1 January - 30 June 2023**
A. CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Period profit / (loss)	**(714.882)**	**158.322**
Adjustments to Reconcile Profit (Loss)		
Adjustments for Depreciation and Amortisation Expense	1.036.067	1.052.784
Adjustments for (Reversal of) Provisions Related with Employee Benefits	(10.622)	(93.587)
Adjustments for (reversal of) provisions related to unused vacation	(9.449)	456
Adjustments for profits of investments accounted for using equity method	2.274.414	(7.611.401)
Other adjustments for other provisions	(517.892)	270.310
Adjustments for tax expenses	(1.379.604)	4.955.016
Adjustments for interest expense / (income)	2.917.182	5.460.737
Adjustments for foreign exchange losses (gains)	2.399.985	1.182.920
Adjustments for losses (gains) arise from revaluation of tangible assets and invesment properties	12.868	(636.825)
Adjustments for fair value (gains) losses on derivative financial instruments	284.020	(1.932.347)
Adjustments for losses (gains) arise from sale of tangible assets	(14.075)	(19.451)
Adjustments for fair value (gains) losses on financial investments	(145.258)	(344.227)
Adjustments related to dividend income	(231.615)	(97.265)
Minority Interest	(372.767)	(1.514.364)
Monetary gains / (losses)	(7.310.849)	(9.316.357)
Changes in net working capital	***3.354.861***	***13.080.389***
Decrease (increase) in inventories	516.743	(5.806.371)
Decrease (increase) in trade receivables	954.652	(2.191.794)
Decrease (increase) in other receivables related to operations	2.959.450	(81.043)
Changes in assets / liabilities from customer contracts	2.978.903	2.903.932
Increase (decrease) in employee benefit liabilities	140.065	44.301
Decrease (increase) in prepaid expenses	(271.123)	(457.868)
Decrease (increase) in other assets related with operations	(1.187.847)	190.156
Increase (decrease) in trade payables	(2.346.569)	12.516.378
Increase (decrease) in other payables related to operations	46.802	1.122.932
Increase (decrease) in deferred income	(366.938)	3.510.277
Increase (decrease) in financial investments	(214.559)	50.923
Income taxes refund (paid)	(840.213)	(783.182)
Increase (decrease) in other payables related with operations	985.495	2.061.748
Net Cash Flows Generated from Operating Activities	**1.572.384**	**4.595.110**
B. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / repayments from borrowings	462.895	(3.625.915)
Interest paid	(2.921.575)	(5.461.051)
Cash flows from finance sector operations, net	(4.927.078)	1.084.688
Dividend paid	(18.294)	(10.814)
Nurol Bank bill payment	22.070.996	4.375.815
Nurol Bank bill issuance	(18.572.642)	(4.836.687)
Net Cash Flows Generated from Financing Activities	**(3.905.698)**	**(8.473.964)**
C. CASH FLOWS FROM INVESTMENT ACTIVITIES		
Net cash inflows and outflows from the purchase and sale of tangible fixed assets	(1.129.551)	(1.241.218)
Net cash inflows and outflows from the purchase and sale of intangible assets	(178.556)	(379.354)
Net cash inflows and outflows from the purchase and sale of investment properties	60.599	88.605
Investments in subsidiaries	(2.874)	(4.128)
Net Cash Flows Used in Investment Activities	**(1.250.382)**	**(1.536.095)**
Inflation adjustment on cash and cash equivalents	2.380.084	8.958.454
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS)	**(1.203.612)**	**3.543.505**
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**13.206.184**	**19.353.815**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**12.002.572**	**22.897.320**

The accompanying notes are an integral part of these interim condensed financial statements.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

1. Organization and Nature of Operations of the Group

Nurol Holding A.Ş. ("the Group" or "Nurol Holding") was established on 6 June 1989 under the name of Nurol Yatırım Holding A.Ş. and on 4 September 1996, the Company changed its corporate name to Nurol Holding A.Ş.

Nurol Holding A.Ş. has been carrying out its operations through companies structured within a variety of sectors, such as construction and contracting in particular, as well as defense, mining, real estate, investment, finance, tourism, energy, trade and services both in Turkey and abroad.

The Group is controlled by the "Çarmıklı" family members. The registered office address of the Company is Arjantin Caddesi, No:7, Gaziosmanpaşa Ankara.

The partnership structure of Nurol Holding as of 30 June 2024 and 31 December 2023 is as follows.

	Share Rate (%)	**30.06.2024**	**31.12.2023**
Nurettin Çarmıklı	33,31	258.455	258.455
Figen Çarmıklı	33,31	258.455	258.455
M. Oğuz Çarmıklı	33,31	258.455	258.455
Other	<1	635	635
Paid-in Capital	**100**	**776.000**	**776.000**
Capital adjustment differences		12.211.548	12.211.548
Indexed Paid-in capital	**100**	**12.987.548**	**12.987.548**

Consolidated Subsidiaries

As of 30 June 2024 and 31 December 2023, the subsidiaries included in consolidation and the rate of ownership is as follows:

	Direct Ownership Rate (%)	
	30.06.2024	**31.12.2023**
Construction Group		
Nurol İnşaat ve Ticaret A.Ş.	99,95	99,95
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	62,48	62,48
Energy Group		
Nurol Enerji Üretim ve Pazarlama A.Ş. (*)	99,98	99,98
Nurol Solar Enerji Üretim A.Ş.	99,70	99,70
Nurol Göksu Elektrik Üretim A.Ş.	100,00	100,00
Enova Enerji Üretim A.Ş.	49,96	49,96
Enova Elektrik Enerjisi Toptan Satış A.Ş.	50,00	50,00
Defense Group		
FNSS Savunma Sistemleri A.Ş.	51,00	51,00
Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş.	99,98	99,98
Nurol Makina Sanayi A.Ş.	99,99	99,99
Nurol Kontrol ve Aviyonik Sistemleri A.Ş.	100,00	100,00
Nurol İleri Teknoloji Savunma Ürünleri Madencilik Sanayi Ticaret A.Ş.	70,00	70,00

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

1. Organization and Nature of Operations of the Group

Consolidated Subsidiaries (Continued)

	Direct Ownership Rate (%)	
	30.06.2024	**31.12.2023**
Mining Group		
Tümad Madencilik Sanayi ve Ticaret A.Ş.	100,00	100,00
Service Group		
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.	99,90	99,90
Botim İşletme Yönetim ve Ticaret A.Ş.	75,00	75,00
Nurol Havacılık A.Ş.	99,99	99,99
Nurol Sigorta Aracılık Hizmetleri A.Ş.	99,70	99,70
Tourism Group		
Turser Turizm Servis ve Ticaret A.Ş.	99,99	99,99
Bosfor Turizm İşletmecilik A.Ş.	99,99	99,99
Finance Group		
Nurol Yatırım Bankası A.Ş.	96,33	96,33

Investments recognized using the equity method

Otoyol Yatırım ve İşletme A.Ş.:

The Company was established in Ankara on 20 September 2010 to construct, operate and transfer at the end of the term of the Gebze-Orhangazi-Izmir (including Izmir Bay Crossing and Access Roads) highway. The project was designed with the build-operate-transfer model. Nurol İnşaat owns 25,95% (31 December 2023: 25,95%) of Otoyol Yatırım ve İşletme A.Ş. and has been consolidated using the equity method in the accompanying consolidated financial statements.

FNSS Middle East Co. Ltd.:

FNSS Savunma Sistemleri A.Ş. a subsidiary of Nurol Holding has invested in the Company located in Saudi Arabia in 2014. FNSS Savunma Sistemleri A.Ş. owns 50% of FNSS Middle East Co. and has been included in the accompanying consolidated financial statements using the equity method.

Joint operations consolidated using the proportional consolidation method

As of 30 June 2024 and 31 December 2023, the shareholding of the Group's joint operations included in the consolidation have been provided below. Joint operations have been included using the partial consolidation method and their net assets and operations have been included in the accompanying financial statements using the proportional consolidation method.

	Joint Ventures (%)	
	30.06.2024	**31.12.2023**
Özgün - Nurol Joint Venture	50	50
Nurol – YDA – Özka Joint Venture	65	65
Nurol - Mesa Joint Venture	50	50
Nurol - Gülsan Joint Venture	50	50
Nurol - Gülermak-Makyol Joint Venture	33,33	33,33
Nurol – Alkataş Joint Venture	50	--

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

1. Organization and Nature of Operations of the Group (Continued)

Joint operations consolidated using the proportional consolidation method (Continued)

Among the companies within the group, the subsidiaries of the parent company, directly or indirectly, with 50% and more than 50% ownership or voting rights or controlling power over the transactions are fully included in the consolidation. Control power is considered to exist if financial and operating policies can be managed. The Group is fully effective in the management of the above-mentioned companies. According to International Accounting Standards 27 (Consolidated Financial Statements and Accounting for Associates), these subsidiaries are consolidated.

From here in after, Nurol Holding A.Ş. and its consolidated subsidiaries will be referred to as the "Group.

As of 30 June 2024 and 31 December 2023, the breakdown of personnel employed within the Group is as follows:

	Number of Personnel	
	30.06.2024	**31.12.2023**
Nurol İnşaat ve Ticaret A.Ş.	5.469	6.050
Tümad Madencilik Sanayi ve Ticaret A.Ş.	971	959
FNSS Savunma Sistemleri A.Ş.	830	970
Nurol Makina Sanayi A.Ş.	615	605
Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş.	439	441
Nurol Yatırım Bankası A.Ş.	123	105
Nurol Holding A.Ş.	153	141
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	47	43
Nurol Kontrol ve Aviyonik Sistemleri A.Ş.	2	38
Enova Enerji Üretim A.Ş.	30	31
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.	18	19
Nurol Göksu Elektrik Üretim A.Ş.	17	16
Botim İşletme Yönetim ve Ticaret A.Ş.	15	17
Bosfor Turizm İşletmecilik A.Ş.	16	16
Nurol Havacılık A.Ş.	14	12
Nurol Sigorta Aracılık Hizmetleri A.Ş.	11	11
Enova Elektrik Enerjisi Toptan Satış A.Ş.	6	6
Nurol Solar Enerji Üretim A.Ş.	8	8
Turser Turizm Servis ve Ticaret A.Ş.	4	4
Nurol Enerji Üretim ve Pazarlama A.Ş.	3	3
	8.791	**9.495**

The operations of the consolidated entities in the accompanying consolidated financial statements are summarized below:

Nurol İnşaat ve Ticaret A.Ş. ("Nurol İnşaat")

Nurol İnşaat ve Ticaret A.Ş. ("Nurol İnşaat") mainly operating in construction sector was established in 1966. The Group is engaged in construction of infrastructure and superstructure projects, dams, hydroelectric power plants, hotels, cooperative housing, turnkey production and industrial facilities and sewage treatment plant facilities.

1. Organization and Nature of Operations of the Group (Continued)

The operations of the consolidated entities in the accompanying consolidated financial statements are summarized below (continued):

Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. ("Nurol Gayrimenkul")

Nurol Gayrimenkul Yatırım Ortaklığı Anonim Şirketi was established on 3 September 1997, headquartered in Istanbul. The company was established to invest in real estate-based capital market instruments, to create and develop a real estate portfolio. The company is obliged to comply with the regulations of the Capital Markets Board ("CMB") in the operating principles, portfolio investment policies and management restrictions and the relevant legislation. 49% of the Company shares were offered to the public in December 1999 and as of 30 June 2024, the Company has a 50,23% floatation rate. The Company has three completed projects open for sale in Istanbul, Nurol Tower, Nurol Life and Nurol Park.

Nurol Enerji Üretim ve Pazarlama A.Ş. ("Nurol Enerji")

Nurol Enerji was established on 18 August 1998 with the change of name of Lamaş Kalıp Makina Sanayi A.Ş. The Company operates in the energy sector in order to realize and invest in various power plant projects in the field of energy production based on various sources such as hydro, coal, solar, wind and natural gas. The Company is structured to participate in business development and new power generation facilities within the framework of the Energy Market legislation. Based on the belief that renewable energy sources are based on renewable energy sources, Enova Enerji Üretim A.Ş. and Nurol Göksu Elektrik Üretim A.Ş. has established several new hydroelectric power plant investments. The company is developing various wind and solar power plant projects in the field of renewable energy production. For this purpose, Nurol Solar Energy Production and Marketing Inc. It was established. The Company also another important energy source for Turkey which is also interested in importing LPG and LPG storage on this issue and is working on distribution projects. On the other hand, in parallel with its energy production activities, Nurol Group Toptan has been established for the purpose of selling energy to wholesale and free consumers in the field of electricity trade.

Nurol Solar Enerji Üretim A.Ş. ("Solar Enerji")

Nurol Solar Enerji Üretim ve Pazarlama A.Ş. was established on 21 June 2011, in order to benefit from solar energy, solar energy-based reinforcement or additional fuel in order to build and operate power plants in Ankara.

Nurol Göksu Elektrik Üretim A.Ş. ("Nurol Göksu")

Nurol Göksu was established in 2013 and the Company obtained the operating rights of Göksu Hydroelectric Power Plant through privatization for 49 years. Nurol Göksu Hydroelectric Power Plant in the province of Konya on the River Göksu, has been taken into operation in 1959. The installed power of Göksu Power Plant has been increased from 10,8 MW to 11,2 MW and it produces an average of 60 million kWh of energy annually with a very high-capacity utilization rate and regular flow regime.

Enova Enerji Üretim A.Ş. ("Enova Enerji")

Enova Enerji Üretim A.Ş. was established in 2003 under the partnership of Nurol and Özaltın with a share of 50% each. Within the scope of the license for 49 years granted by EMRA in 2006, Ceyhan HEPP Project construction on the Ceyhan River in Osmaniye has been completed with an investment of USD 160.000.000 between 2007-2010 and has begun energy trade as of June 2010. The plant has an installed capacity of 63,468 MW and an annual capacity of 259.000.000 kWh.

Enova Elektrik Enerjisi Toptan Satış A.Ş. ("Enova Toptan")

Özaltın Makro Elektrik Enerjisi Toptan Satış A.Ş. was established on 20 November 2009 with an office in Arjantin Caddesi No.9 Gaziosmanpaşa / Ankara.

1. Organization and Nature of Operations of the Group (Continued)

The operations of the consolidated entities in the accompanying consolidated financial statements are summarized below (continued):

Enova Elektrik Enerjisi Toptan Satış A.Ş. ("Enova Toptan") (devamı)

The Company changed its title to Enova Elektrik Enerjisi Toptan Satış A.Ş. on 23 September 2011. According to the Company's articles of incorporation the Company's main activity is to engage in the wholesale of electrical energy and / or capacity and sales directly to eligible consumers. In accordance with Electricity Market Law No. 4628 and the relevant legislation, the Company has obtained a wholesale license numbered ETS / 2550-9 / 1620, dated 06 May 2010 with the decision of the Energy Market Regulatory Board.

FNSS Savunma Sistemleri A.Ş. ("FNSS")

The Company was formed in connection with the desire of the Government of the Republic of Turkey to supply armored vehicles for the Turkish Army which should, as much as possible, be fabricated and assembled in Turkey. Besides, according to the agreement, the Company has the right to export armored vehicles outside Turkey. The Company established a branch in Saudi Arabia in 2005 in order to manage its operations related to contracts with the Saudi Arabian Government.

FNSS is a company of land defense systems that designs and manufactures efficient, reliable and innovative tracked and wheeled armored vehicles tailored to the needs of its customers.
FNSS exports mainly to United Arab Emirates, Malaysia, Oman, Saudi Arabia and Philippines.

FNSS, whose products are preferred by users in different countries, has delivered thousands of armoured combat vehicles to its users to date. Since its establishment, FNSS has realized export projects worth more than USD 2.5 billion in total to different countries.

The wide product family created by FNSS ranges from tracked armoured vehicles in the 15-ton class to medium weight class tanks; from 4x4 tactical armoured vehicles to 8x8 tactical wheeled armoured vehicles; from mobile floating assault bridges to armoured engineering work machines; from hybrid armoured vehicles to heavy class autonomous unmanned ground vehicles and manned and unmanned turrets.

Tümad Madencilik Sanayi ve Ticaret A.Ş. ("Tümad Madencilik")

Tümad Madencilik Sanayi ve Ticaret A.Ş. was established in Istanbul in 1989 and opened a branch in Ankara at the end of 2011 and moved its headquarters to Ankara in 2013. The Company is currently engaged in exploring, operating and developing the gold mines through two operational gold mines located in Lapseki- Çanakkale and İvrindi-Balıkesir. The Company's strategy is to make large-scale mining projects by making advanced searches on potential mining fields and to begin production when it is feasible to operate economically. The Company has a total of 27.592 hectares operating and research area in Turkey. The Company carries out refined gold and silver sales to the Central Bank of the Republic of Turkey ("CBRT") and other market buyers through domestic refineries.

As of 2014, Batı Anadolu Madencilik Sanayi ve Ticaret A.Ş was acquired by the Company and the Lapseki Gold Mine project in Çanakkale Biga Peninsula has been added to the Company's portfolio. A total of 100.000 m drilling was carried out in the Çanakkale Lapseki project and as a result of detailed analysis and feasibility studies, the decision to invest has been made and construction began as of July 2016. The plant began production following the temporary acceptance of the investment construction was made in December 2017.

In Lapseki, an underground mine was commissioned in 2019 and ore production began. The capacity of the facility, where 1.2m tons/year of production is made by tank leaching, will be increased with the optimizations to be made.

The Company started the İvrindi Gold Mine Enrichment Project in İvrindi district of Balıkesir province in 2012. The operation phase of the project, the construction phase of which was completed in 2019, started gold production in August 2019.
The ore produced by the open pit method is processed in the heap leach process plant with an annual capacity of 7,7 m tons.In 2021, the Company received four mining licenses from TÜPRAG within the scope of the Doğancılar project in Çanakkale and Balıkesir, and Şahinli mining license from ESAN Eczacıbaşı, located next to the Lapseki Project in Çanakkale.

1. Organization and Nature of Operations of the Group (Continued)

The operations of the consolidated entities in the accompanying consolidated financial statements are summarized below (continued):

Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş. ("Nurol Teknoloji")

Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş. which is a part of Nurol Group of Companies, was established with national capabilities in 2008 to produce ballistic ceramics and use them in personal protection and vehicle platform applications. The Company also manufactures personal protection products such as ballistic protective vests and ballistic protective shields, as well as armor systems for air land and sea platforms.

In addition to the production of Alumina, Silicon Carbide and Boron Carbide Ceramics, Tungsten Carbide ceramics, which are used in civilian areas, are among the product range of Nurol Teknoloji ceramics. Nurol Teknoloji manufactures advanced technological ballistic ceramics and hybrid ballistic protective armor solutions, which are needed by all friendly and allied countries in the world, especially Turkish Security Forces, under one roof in three production facilities located in Ankara. Nurol Teknoloji has AQAP 2110, ISO 9001, ISO 14001, AS9100, ISO 27001 and ISO 45001 System Certificates along with "National Confidential" and "NATO Confidential" Facility Security, Production Permit certificates from the Ministry of National Defense within the scope of the relevant laws, and for two Ballistic Test Laboratories within its body. It also has 17025 TURKAK accreditation documents within the scope of international NIJ standards.

Nurol Teknoloji, in line with its plan to expand its expertise in advanced technical ceramics production and next-generation ballistic solutions internationally, established Nurol Technology USA in Florida, USA, in 2022. With this new company, it is working on various projects, particularly in the American market, alongside key global players in the industry. In addition to its expansion into the U.S., Nurol Teknoloji founded NT Germany in 2023 and acquired a majority stake in IKH, a producer of advanced technical ceramic powders. Through these global ventures, Nurol Teknoloji is rapidly advancing on its strategic roadmap in the ballistic protection and armor systems solutions mark

Nurol Makina ve Sanayi A.Ş. ("Nurol Makina")

Nurol Makina ve Sanayi A.Ş. was established in 1976 as a company operating under Nurol Holding in order to establish turn-key industrial plants and to carry out large-scale contracting works on steel construction and machinery manufacturing. With the establishment of the Undersecretaries for Defense Industries, the Company also began its activities in the field of defense industry.

Nurol Makina started its operations in 1992 in its facilities located in the First Ankara Organized Industrial Zone in Sincan. Nurol Makina, which has an outdoor area of 70.000 m2 and an enclosed area of 34.000 m2, has carried out many important projects so far and continues its activities with its experienced staff.

Design and production of Nurol Makina is carried out with the help of advanced engineering software. The Company makes the products with Computer Aided Design (CAD), Computer Aided Manufacturing (CAM), Enterprise Resource Planning (ERP) systems and advanced technology machines and testing infrastructure.

The Company has more than 30 years of experience in the defense industry; 4x4 segment Armored Combat Vehicle, Armored Personnel Carrier and Special Purpose Platform designs and produces the original system. Nurol Makina has "NATO Confidential" and "National Confidential" level Facility Security Certificate.

Nurol İleri Teknoloji Savunma Ürünleri Madencilik Sanayi Ticaret A.Ş. ("Nurol İleri Teknoloji")

The main operating activities of Nurol İleri Teknoloji includes design research and development in the field of electricity machinery, defense, chemistry, environmental, agricultural, food, material, geological, construction and software engineering. The Company performs research and development operations and contracting in this field for private and government organizations both domestically and overseas. The Company is involved in the trading and production of materials, equipment's, hardware, software, machinery used in construction, industry and engineering fields along with the components, accessories, spare parts, working process, merchandises and raw materials and to established, operate and trade industrial plants and contracting and tender operations in this field.

1. Organization and Nature of Operations of the Group (Continued)

The operations of the consolidated entities in the accompanying consolidated financial statements are summarized below (continued):

Nurol Kontrol Aviyonik Sistemleri A.Ş. ("Nurol CAS")

Nurol Kontrol Aviyonik Sistemleri Anonim Şirketi was established under the name Nurol BAE Systems Hava Sistemleri A.Ş. in 2015 in which Nurol Holding held 51% and BAE Systems held 49% of the shares. The Company began its activities in 2016.

BAE Systems (Operations) Limited transferred all of its shares to Nurol Holding in 2022 as a result of a strategic decision. Following the decision taken at the General Assembly dated 21 November 2022, the Company's name was changed to Nurol Kontrol Avionik Sistemleri Anonim Şirketi.

The main activity of the Company includes design and development, engineering and business development studies, system development and production, advanced technology system integration for critical issues that may cause loss of aircraft in case of failure such as aircraft, flight control systems, fuel control systems and air conditioning systems.

Nurol İşletme ve Gayrimenkul Yönetim A.Ş. ("Nurol İşletme")

Karum Yönetim was founded in Ankara in 1991 to manage Karum Trade and Shopping Centre. The headquarters of the Company is located in Ankara. Karum Yönetim ve Ticaret A.Ş. changed its title as Karum Gayrimenkul Yönetim ve Ticaret A.Ş. in 2010. In 2011, the Company established a partnership with RGM Turkey Gayrimenkul Yönetim ve İşletme A.Ş. which is partner with German RGM Company and headquartered in Istanbul and transferred Nurol Residence and Nurol Plaza enterprises to RGM Turkey A.Ş. The management of Karum Trade and Shopping Centre was left in 2011. Karum Gayrimenkul Yönetim ve Ticaret A.Ş. changed their trade title to Nurol İşletme ve Gayrimenkul Yönetim A.Ş. on 22 April 2014.

Botim İşletme Yönetim ve Ticaret A.Ş. ("Botim İşletme")

Botim İşletme was founded in 1997 in Ankara to execute the managerial activities of Bodrum Oasis Shopping and Entertainment Mall which was constructed by Nurol İnşaat ve Ticaret A.Ş. The Company executes maintenance, landscape, security and cleaning services of the Oasis Shopping and Entertainment Mall which began operations on 7 April 1998 and is situated on a land of 50 acres consisting of 249 independent trading units.

Nurol Havacılık A.Ş. ("Nurol Havacılık")

Nurol Havacılık was established in 1997 with headquarters in Ankara to provide flight services to its customers. The Company renders services with the FALCON 2000 LX aircraft named TC SGO Çağrı both to Nurol Group Companies and other customers. Corporate flight services carried out by the Company to domestic and international destinations take place under the supervision of the European and Turkish Civil Aviation authorities. Falcon LX is a corporate aircraft with 10 VIP seating capacity. The Company's hangar and terminal facilities at Ankara Esenboğa Airport were completed in August 1998 and started to provide technical and hangar services to air taxi and aviation company passengers as well as to VIP aircraft.

Nurol Havacılık complies with all applicable legal and regulatory requirements published by the Turkish Civil Aviation Authority, ICAO, EASA, and other relevant authorities, including the ISO 9001:2015 standard. The company provides timely, economical, and comfortable flight services with top-level flight safety measure

Turser Turizm Servis ve Ticaret A.Ş. ("Turser Turizm")

Turser Turizm Servis Yayıncılık ve Ticaret A.Ş. was established in 1993 with its headquarters located in Ankara. Turser Turizm is the owner of Sheraton Ankara Hotel & Convention Center and Lugal a Luxury Collection Hotel in Ankara. The Hotel has been operated by the Starwood Eame License and Services Company BVBA ("Operator"), who became a subsidiary of Marriott International Inc as of 23 September 2016, in line with the Operating Services Agreement ("OSA"), Sheraton Ankara Hotel & Convention Centre System License and Technical Assistance Agreement, the Luxury Collection Hotel Ankara System License and Technical Assistance Agreement and Centralized Services Agreement which were signed on 4 December 2009 as a result of the written agreement of the parties.

1. Organization and Nature of Operations of the Group (Continued)

The operations of the consolidated entities in the accompanying consolidated financial statements are summarized below (continued):

Nurol Sigorta Aracılık Hizmetleri A.Ş. ("Nurol Sigorta")

Nurol Sigorta was established in 1994 to operate and provide services in all insurance branches. The Company operates as an authorized agency for Anadolu Sigorta A.Ş., Anadolu Hayat Emeklilik A.Ş., Bupa Acıbadem Sigorta A.Ş., Ak Sigorta A.Ş., Axa Sigorta A.Ş., Axa Hayat ve Emeklilik A.Ş., Chubb European Group SE, VHV Allgemeine Sigorta A.Ş., Eureko Sigorta A.Ş., Generali Sigorta A.Ş., Groupama Sigorta A.Ş., Gulf Sigorta A.Ş., Mapfre Sigorta A.Ş., Mapfre Yaşam Sigorta A.Ş., Ray Sigorta A.Ş., Türkiye Sigorta A.Ş. and Zurich Sigorta A.Ş

Bosfor Turizm İşletmecilik A.Ş. ("Bosfor Turizm")

Bosfor Turizm began to operate in the tourism sector in 1980 after obtaining a group "A" license from the Ministry of Tourism. In 1995, all shares of the company were bought by Nurol Group and the Company became a fully owned subsidiary of Nurol Group. The Company's headquarters is located in Ankara. The Company provides services such as selling international and domestic plane tickets, incoming-outgoing-ingoing tour operating services, individual and group tour organizations, visa services, hotel and motel reservations, transfer services from/to airports, guiding services, organizations of dealer conventions inside and outside the country, congresses and seminars, short term and long term leasing of chauffeured and non-chauffeured vehicles, fleet, yacht and depending on the number of passengers private aircrafts and helicopters, motivational trips and day to day vicinity trips.

Nurol Yatırım Bankası A.Ş. ("Nurol Bank")

Nurol Yatırım Bankası A.Ş., was established and began banking operations in May 1999 by the permission of the council of Ministers Decree No. 98/11565 dated 6 August 1998 as an "investment bank".

The bank is established, under the condition to get the necessary permissions from the authorities, to be active in capital markets, to use the resources provided with the use of capital market instruments to invest, for the purpose of managements to meet effective management and healthier financial structure including mergers and acquisitions issues by giving consultancy services making investment banking and to be active in all areas related to investment banking. Nurol Group is the investment group for direct or indirect dominance in the bank's capital.

Nurol Varlık Kiralama A.Ş. was established in 2017 to operate in the asset leasing sector. Nurol Varlık Kiralama A.Ş. was registered in the trade registry on 14 September 2017 and published in the Turkish Trade Registry Gazette numbered 9351 on 20 September 2017. As of 30 June 2024, the paid-in capital of Nurol Varlık Kiralama A.Ş. is TL 50.000.

Nurol Portföy Yönetim A.Ş. was established in 2020 to operate in the portfolio management services sector. The Company was registered in the trade registry as of 17 December 2020, and the registration was published in the Turkish Trade Registry Gazette numbered 10226 on 17 December 2020. The capital of Nurol Portföy Yönetim A.Ş. is TL 50 million, fully paid by Nurol Yatırım Bankası A.Ş.

Ortak Varlık Yönetimi A.Ş. was established by Nurol Investment Bank Inc. The paid-in capital of Ortak Varlık Yönetimi A.Ş. is 50 million TL, fully paid by Nurol Investment Bank Inc. Ortak Varlık Yönetimi A.Ş. was registered in the trade registry on 22 January 2021, and the registration was published in the Turkish Trade Registry Gazette numbered 10251 on 22 January 2021.

2. Basis of Presentation of the Consolidated Financial Statements

2.1 Basis of Presentation

Statement of Compliance to TFRS

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.1 Basis of Presentation (Continued)

Statement of Compliance to TFRS (Continued)

The Company and its subsidiaries operating in Türkiye, maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. These consolidated financial statements are based on the statutory records, with the required adjustments and reclassifications including those related to changes in purchasing power reflected for the purpose of fair presentation in accordance with the TFRS.

Functional and reporting presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are prepared and presented in Turkish Lira (“TL”), which is the functional currency of the parent company.

In order to prepare the accompanying TL consolidated financial statements and notes to the financial statements, the financial statements of branches and subsidiaries operating abroad as required by Turkish Accounting Standards (“TAS”) 21 (“Effects of Changes in Exchange Rates”), at each balance sheet date, monetary items denominated in foreign currencies are converted to Turkish Liras at the rates prevailing on the balance sheet date and non-monetary balance sheet items, income and expenses, and items that make up cash flows have been converted into Turkish Lira using the annual average exchange rate.

The functional and reporting currency of Tümad Madencilik, Nurol Makina, FNSS, Nurol Havacılık, Nurol Solar Enerji and Nurol Teknoloji conduct evaluations within the framework of the principles specified in TAS 21, a significant portion of their operations is carried out in U.S. dollars. The functional currency of these Companies have been changed to USD within the scope of TAS 21 "Effects of Changes in Exchange Rates.

The financial statements of subsidiaries, joint ventures and affiliates operating in foreign countries have been translated as follows:

- As of 30 June 2024 assets and liabilities have been converted into TL at the relevant buying rate of the CBRT as of the balance sheet dates.

- Income and expenses have been converted into TL using the average exchange rates.

Translation gain/loss arising from this conversion has been included in the "foreign currency exchange differences" account under equity and accounted as a separate component of other accumulated comprehensive income / (loss) that will be reclassified in profit or loss.

Adjustment of financial statements in hyperinflationary periods

The Group prepared its consolidated financial statements as at and for the year ended 31 December 2023 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies". The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the reporting period and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of 31 December 2023, on the purchasing power basis as of 30 June 2024.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.1 Basis of Presentation (Continued)

Functional and reporting presentation currency (Continued)

In accordance with the CMB's decision dated 28 December 2023, and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 30 June 2024.

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute.

The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follows:

Date	Index	Adjustment Factor	Three Year Cumulative Inflation Rates
30 June 2024	2.319,29	1,00000	%324
31 December 2023	1.859,38	1,24735	%268
30 June 2023	1.351,59	1,71597	%190

The main elements of the adjustments made by the Group for financial reporting purposes in highly inflationary economies are as follows:

- Assets and liabilities were separated into those that were monetary and non–monetary, with non–monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 30 June 2024.

- Non-monetary items which are not expressed in terms of measuring unit as of 30 June 2024 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value.

- Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors. Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 30 June 2024.

- The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income.

- 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. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

Going Concern

The Company has prepared its financial statements in accordance with the going concern principle.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.2 Restatement and Errors in the Accounting Policies Estimates

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes that do not include any transitional provisions, optional significant changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made, if it relates to only one period, and both in the period when the change is made and prospectively if it is related to the future.

2.3. Comparative Information and Adjustment of Financial Statements of Previous Period

The consolidated financial statements of the Group are prepared comparative with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed. The consolidated financial statements have been restated as of 30 June 2023.

2.4 Principles of Consolidation

The consolidated financial statements, parent company Nurol Holding A.Ş., and its subsidiaries, affiliates, joint ventures and financial investments accounts prepared according to the principles set forth in the following articles. During the preparation of the financial statements of the companies included in the consolidation, necessary adjustments and classifications were made in terms of compliance with the TAS/TFRS, which was put into effect by the POA in accordance with the provisions of the Communiqué Serial II, No. 14.1, and compliance with the accounting policies and presentation styles applied by the Group.

Subsidiaries

Subsidiaries refer to companies in which the Company is exposed to or has rights to variable returns from its involvement with the investee, and over which it has control because it has the ability to affect these returns through its power over the investee.

Subsidiaries are included in the scope of consolidation from the date on which control over their activities is transferred to the Group and are excluded from the scope of consolidation on the date that control ceases.

Consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company's fulfilment of the following conditions:

(i) has power over the investee/asset,
(ii) is open to or entitled to variable returns from the investee/asset, and
(iii) can use its power to have an impact on returns.

In the event of a situation or event that may cause any change in at least one of the criteria listed above, the Company re-evaluates whether it has control over its investment.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.4 Principles of Consolidation (Continued)

Subsidiaries (continued)

The financial position statements and profit or loss statements of the subsidiaries are consolidated using the full consolidation method, and the book values of the subsidiaries owned by the Company and their equity are mutually offset. Intra-group transactions and balances between the Company and its subsidiaries are deducted during consolidation. The book value of the shares owned by the Company and the dividends arising from them have been netted off from the related equity and profit or loss statement accounts.

Branches

The branch may not have a different main contract than the parent company; As a result, the branch can act as a parent company in the parent company's fields of activity. Each branch should use the name of the parent company by stating that it is a branch.

Although a branch may act independently from the parent company in its commercial relations with third parties and companies, the rights and obligations arising from its transactions belong to the parent company. Legal cases that may arise as a result of the transactions of the branch can be heard in the relevant court in the headquarters of the parent company or in the relevant courts in the center where the branch is located. The financial statement items of the Branch were combined one by one and mutually lowered from each other.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments

The Group's shares in associates valued using the equity method consist of shares in associates. Associates are assets over which the Group has significant influence, but not control or joint control, over its financial and operating policies.

Interests in associates are accounted for using the equity method. These are entities in which the Group generally has between 20% and 50% of the voting rights or in which the Group has significant influence, but not control, over the company's operations. It is initially recorded at cost, which includes transaction costs. After initial recording, the consolidated financial statements include the Group's profit or loss and other comprehensive income from equity method investments until the date when significant influence ceases.

Non-controlling interests

Non-controlling interests are measured in their proportional share of the acquirer's net assets at the acquisition date. Changes in the shares of subsidiaries without losing the Group's control power are accounted for as equity transactions. Accordingly, in additional share purchase transactions from non-controlling interests, the difference between the acquisition cost and the book value of the company's net assets in proportion to the purchased shares is accounted for under equity. In the sale of shares to non-controlling interests, losses or gains resulting from the difference between the sales price and the book value of the company's net assets in proportion to the sold share are also accounted for under equity.

Transactions eliminated on consolidation

Intra-group balances and transactions and unrealized income and expenses arising from intra-group transactions are eliminated. Unrealized gains from transactions with equity are eliminated in proportion to the Group's interest in the investee. In the absence of any impairment, unrealized losses are eliminated in the same way as unrealized gains.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.5. The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of June 30, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Company / the Group's financial position and performance have been disclosed in the related paragraphs.

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

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

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 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, January 2023 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 TAS 8.

The change has not had a significant impact on the Group's financial position or performance.

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

In January 2023, POA issued amendments to TFRS 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 recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 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 recognise 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 TFRS 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 TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The change has not had a significant impact on the Group's financial position or performance.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 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.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.5. The new standards, amendments and interpretations

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

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements (Continued)

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 TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose..

The change has not had a significant impact on the Group's financial position or performance.

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 Company / the Group will make the necessary changes if not indicated otherwise, which will affect the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA 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 assess the impact of the changes once the mentioned standards are finalized.

TFRS 17 – The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

The Group will assess the impact of the changes once the mentioned standards are finalized.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.5. The new standards, amendments and interpretations

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

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 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 changes are not applicable to the Group and have no impact on its financial position or performance.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 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 change has not had a significant impact on the Group's financial position or performance.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IFRS 9 and IFRS 7 as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company / the Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

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

In May 2024, IASB 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 changes are not applicable to the Group and have no impact on its financial position or performance.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.5. The new standards, amendments and interpretations

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (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.

The changes are not applicable to the Group and have no impact on its financial position or performance.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB 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.

The Standard is not applicable to the Group.

2.6 Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 6). Bank deposits with original maturities of more than three months are classified under short-term financial investments.

Trade receivables

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

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

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.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, labour and an appropriate amount for factory overheads. The cost of borrowings is not included in the costs of inventories. The cost of inventories is determined on the weighted average basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Stocks of ongoing housing projects

Inventories comprise of construction costs of housing units (completed and in-progress) and the cost of land used for to these housing projects. Land held for future development of housing projects are also classified as inventory. Cost elements included in inventory are purchase costs, conversion costs and other costs necessary to prepare the asset for its intended use. Unit costs of the inventories are valued at the lower of cost or net realizable value. Housing units which are completed and ready for delivery to customers together with work-in progress costs for housing units which will be completed within a year, are classified as short-term inventories in the financial statements.

Mine Stocks

Inventories are mainly comprised of ore stockpiles, gold in circuit, dores, chemicals and spare parts. Inventories are valued at the lower of cost and net realizable value. For each mine field, cost of inventory consists of purchase of materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of conversion includes direct labour and allocation of fixed and variable production overheads. Stockpiles, gold in circuit and dores are measured by the number of contained gold oz. and the estimated recovery rate based on the processing method. Stockpiles and gold in circuit amounts are verified by periodic surveys.

Production overheads for each mine facility, include amortization and depreciation of mining assets in the respective mine field like asset retirement costs, mine development costs and deferred stripping cost, at the relevant stage of production. Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The costs of inventories are determined on a weighted average basis for each mine field (Note 13).

Property, plant and equipment

Property, plant and equipment are presented at cost less accumulated depreciation and accumulated impairment losses. Land and lands are not subject to depreciation and are shown at cost less accumulated impairment losses.

In cases where the assets cannot be converted into money over the value they carry, it is checked whether there is any impairment in the assets. If there is such an indication and the value of the assets exceeds the estimated amount to be realized, the assets or cash generating units are brought to their realizable values.

The realizable amount is the higher of the asset's net selling price and net book value in use. To determine the amount of net book value in use, estimated future cash flows are discounted using the pre-tax discount rate, which measures the time value of money and the risk nature of the asset. The net book value in use of a non-independent cash-generating asset is determined for the cash-generating group to which the asset belongs. Provision for impairment expenses are recognized in the consolidated statement of profit or loss.

Except for land and investments in progress, the cost or valued amounts of tangible assets are depreciated using the straight-line method over their expected useful lives or production volumes. The expected useful life, residual value and depreciation method are reviewed each year for the possible effects of changes in estimates, and if there is a change in estimates, they are accounted for prospectively.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

The rates used in the amortization of tangible fixed assets are as follows;

	Useful Life
Buildings	4-50 years
Land improvements	4-50 years
Machinery and equipment	4-20 years
Motor vehicles	3-5 years
Furniture, fixtures and office equipment	4-50 years

Intangible assets and amortization

Intangible assets which are mainly software licenses and mining extraction rights are measured initially at cost. An intangible asset is recognized if it meets the identifiability criterion of intangibles, control exists over the asset; it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably. Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line method over their estimated useful economic lives (3-5 years).

Energy licenses

In 2013, the Group purchased the operating rights of Göksu Hydroelectric Power Plant through the privatization for 49 years. Göksu Hydroelectric Power Plant has a production license and was established in the province of Konya.

The Group established Enova Enerji Üretim A.Ş. with the joint venture of Özaltın Group for the purpose of energy production and sales in 2003. Enova Enerji Üretim A.Ş. owns the production license, which is related to production facility, dated 21 December 2006 obtained from EMRA.

Mining extraction rights and mining exploration, drilling and development expenses

Exploration costs are expensed as incurred when a decision is made that a mining property is capable of commercial production (when the Group management is able to demonstrate that future economic benefits are probable, which will be the establishment of increased and probable reserves at the relevant location) and legal permissions are obtained (e.g. mining license) for a specific area of interest; all further pre-production expenditure, including the costs related to property acquisitions and mineral and surface rights together with evaluation activities such as geological, geochemical studies and drilling for further technical feasibility (such as in-field exploration) in the relevant area of interest are capitalized.

Besides the regular exploration activities in green field zones, the Group continues further drilling activities within the area of operational mines, defined as "exploration during mine." All related expenditures of "exploration during mine", are monitored and assessed by each drilling zone at each balance sheet date, and accordingly the Group capitalizes the expenditures of particular drillings only when it is probable to get future economic benefits, namely as proven and probable reserve is established as a result of those drillings and/ or considering the existence of new or additional proven and probable reserves in the respective mine area ("area of interest").

Where the Group management considers that there is an impairment indicator such as significant decrease in resource and reserve, serious mine accidents, expiration or permanent cancellation of rights, impairment is assessed and recognized for the amount by which the carrying amount of the asset exceeds its recoverable amounts, which is the higher of fair value less cost to sell or value in use.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Intangible assets and amortization (Continued)

Amortization of acquired mining licenses

According to item 2 of "Reclamation Cost Estimation of the Open Mine at Production Phase" of IFRIC 20, "At the stage of mine development (before production begins), pickling costs are generally capitalized as part of the depreciated cost of mine establishment, development and construction. These costs are then systematically depreciated or amortized, usually using the unit-of-production method, after production stage has been reached."

Tümad Mining has 10 mining licenses in total. Information on licenses is as follows

License (Registration) Number	Province	County	License Enforcement Date	Essence	Period
86082	Çanakkale	Lapseki	4.09.2009	Operating license	25
90631	Balıkesir	İvrindi	21.01.2014	Operating license	30
17798	Çanakkale	Lapseki	16.12.2019	Operating license	10
27480	Çanakkale	Lapseki	15.11.2019	Operating license	10
79099	Çanakkale	Lapseki	16.12.2019	Operating license	10
69703	Çanakkale	Lapseki	16.12.2019	Operating license	10
88919	Çanakkale	Çan	17.07.2018	Operating license	10
61515	Çanakkale	Merkez	29.05.2019	Operating license	10
68955	Çanakkale	Lapseki	20.01.2020	Operating license	15
202400775	İzmir	Berganam	24.06.2024	Search License	7

Evaluation of research expenses and development costs within the scope of Articles 52 to 67 of TAS 38 "Intangible Assets"

Planned activities to obtain new technological information or findings are defined as research and research expenses incurred at this stage are recorded as expense when incurred.

The application of research findings or other information to a plan prepared to produce new or significantly improved products, processes, systems or services is defined as development and is recognized as intangible assets resulting from development if all of the following conditions are met.

Internally generated intangible assets resulting from development activities (or the development phase of an internal project) are recognized only when all of the following conditions are met

- It is technically possible to complete the intangible asset so that it is ready for use or ready for sale.
- Intention to complete, use or sell the intangible asset.
- Whether the intangible asset can be used or sold, and it is clear how the asset will generate potential future economic benefits.
- Availability of appropriate technical, financial and other resources to complete the development of the intangible asset, use or sell the asset.
- The development cost of the intangible asset can be measured reliably during the development process.

The amount of intangible assets created internally is the total amount of expenses incurred since the intangible asset meets the above-mentioned recognition conditions. When internally generated intangible assets cannot be recognized, development expenditures are recorded as expense in the period in which they are incurred. After initial recognition, internally generated intangible assets are reported at cost less accumulated depreciation and accumulated impairment losses, just like intangible assets purchased separately.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Intangible assets and amortization (continued)

Evaluation of research expenses and development costs within the scope of Articles 52 to 67 of TAS 38 "Intangible Assets"(Continued)

The Group acquires a portion of certain intangible assets under paragraphs 27 and 32 of IAS 38. In this context, it capitalizes the costs that are obtained separately from the outside and directly associated with the asset. In particular, the costs incurred within the framework of paragraph 28 of TAS 38 are capitalized.

Software licenses

Software licenses are measured initially at cost. Software licenses are allocated on a pro-rata basis using the straight-line method over their estimated useful lives and are carried at cost less accumulated amortization and impairment. The estimated useful lives of software licenses are 3-22 years

Intangible assets acquired

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in accounting estimates for on a prospective basis:

	Useful Life
Rights	2-6 years
Computer software	2-3 years
Development expenses	1-5 years

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Expenditures made within the scope of research activities are recognized in profit or loss when they occur.

Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line method over their estimated useful economic lives.

Derecognition of intangible assets

When an intangible asset is disposed of, or if no future economic benefits are expected from its use or sale, the statement of financial position (balance sheet) is excluded. Profit or loss arising from the exclusion of an intangible asset from the statement of financial position (balance sheet) is calculated as the difference between net collections and book values obtained from disposal of assets, if any. This difference is recognized in profit or loss when the related asset is taken out of the statement of financial position (balance sheet).

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

The profit or loss recognized due to the changes in the fair value of an investment property is included in the current year's comprehensive income statement. The profit or loss recognized due to condemnation or disposal of an investment property is the difference between net collection obtained from the disposal of the asset and the book value of the real estate, and it is accounted in the income statement under fair value increase in investment properties.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Investment properties (Contimnued)

The borrowing costs related to qualifying assets are also recognized during the construction of the asset, the mentioned capitalization continues until the completion of the construction. The Group does not include the daily service expenses related to real estate in the book value of the investment property. Those costs are recognized in the profit or loss statement to the extent that they are realized. Maintenance expenses related to real estate are recognized in the profit and loss statement in the relevant period.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as discounted cash flow projections. The Group considers the conditions resulting with the difference in the determination of the fair value of the investment properties in order to make the most reliable estimation.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure.

The transfer of a property to or from the investment property class is made only when there is a change in use, the transfer is made when the following conditions are met:

- Transfer of a property to or from an investment property class only and only
- It is made when there is a change in its use, the transfer is carried out when the following conditions are met:
- Commencement of owner-occupation, for a transfer from investment property to owner occupied property;
- Commencement of development with a view to sale, for a transfer from investment property to inventories;

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with TAS 16 shall be its fair value at the date of change in use.

If an owner-occupied property becomes an investment property that will be carried at fair value, the Group shall apply TAS 16 up to the date of change in use. The Group shall treat any difference at that date between the carrying amount of the property in accordance with TAS 16 and its fair value in the same way as a revaluation in accordance with TAS 16.

Up to the date when an owner-occupied property becomes an investment property carried at fair value, an entity depreciates the property and recognizes any impairment losses that have occurred. The Group treats any difference at that date between the carrying amount of the property in accordance with TAS 16 and its fair value in the same way as a revaluation in accordance with TAS 16. In other words:

a) Any resulting decrease in the carrying amount of the property is recognized in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the decrease is recognized in other comprehensive income and reduces the revaluation surplus within equity.

b) Any resulting increase in the carrying amount is treated as follows:

   i.) To the extent that the increase reverses a previous impairment loss for that property, the increase is recognized in profit or loss. The amount recognized in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized.

   ii.) Any remaining part of the increase is recognized in other comprehensive income and increases the revaluation surplus within equity. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Investment properties (Contimnued)

As for Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. investment properties are valued every year, gains, and losses arising from changes in the fair value of investment property have been included in the income statement in the period they occur.

Financial instruments

Financial assets and liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities (excluding financial assets and liabilities at fair value through profit or loss) are added to or subtracted from the fair value of those financial assets and liabilities at initial recognition, as appropriate. Transaction costs related to the acquisition or issuance of financial assets and liabilities are recognized directly in profit or loss.

Financial assets

Financial assets bought and sold in the normal way are recorded or removed at the transaction date.

The Group manages its financial assets (a) the business model used by the entity to manage financial assets, (b) the amortized cost at subsequent recognition based on the characteristics of the contractual cash flows of the financial asset, through fair value through other comprehensive income or at fair value through profit or loss. classifies as measured through loss. Only when an entity changes its business model for the management of financial assets, it reclassifies all affected financial assets. The reclassification of financial assets is applied prospectively from the date of reclassification.

In such cases, no adjustments are made for gains, losses (including impairment gains or losses) or interest previously recognized.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; 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.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(i) Amortized cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.
b) Financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

Interest income is recognized in consolidated profit or loss statement. Interest income is recognized as income from investments if it is based on deposits. Interest income from in-group borrowings are shown as finance income.

(ii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria to be measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Gains and losses resulting from changes in fair value are subsequently recognized in other comprehensive income and accumulated in the revaluation reserve. In case of disposal of equity investments, the total accumulated gain or loss is transferred to retained earnings.

(iii) Equity instruments at fair value through other comprehensive income

At initial recognition, the Group may make an irrevocable choice to present any subsequent changes in fair value of its investment in each non-trading equity instrument in other comprehensive income.

A financial asset is considered to be held for trading if:

- recently acquired for sale; or
- is part of a portfolio of certain financial instruments that the Group manages together at the time of initial recognition and there is recent evidence that the Group has a tendency to make short-term profits; or
- is a derivative (except for a financial guarantee contract or derivatives that are defined and effective hedging instruments).

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Gains and losses resulting from changes in fair value are subsequently recognized in other comprehensive income and accumulated in the revaluation reserve. In the case of disposal of equity investments, the total accumulated gain or loss is transferred to retained earnings.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘other gains and losses’ line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the ‘other gains and losses’ line item. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘other gains and losses’ line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group uses the simplified approach for trade receivables, assets arising from contracts with customers and lease receivables that are not significant financing elements and calculates the provision for impairment at an amount equal to the expected credit loss over the life of the related financial assets.

For all other financial instruments, the Group recognizes lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition. However, if the credit risk of the financial instrument has not increased significantly since initial recognition, the Group recognizes a 12-month expected credit loss provision for that financial instrument.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (Continued)

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value.

A financial liability is subsequently classified at amortized cost except:

a) Financial liabilities at FVTPL: These liabilities, including derivative instruments, are subsequently measured at fair value.

b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The entity does not reclassify any financial liabilities.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative Financial Instruments

In order to keep the risks associated with foreign exchange and interest rates under control, the Group uses various derivative financial instruments, including foreign exchange forward contracts, options and interest rate swap contracts.

Derivative instruments are accounted for at their fair value as of the date of the related derivative contract and are remeasured at their fair value in each reporting period on the following dates. The resulting gain or loss is recognized in profit or loss if the derivative has not been designated as a hedging instrument and its effectiveness has not been demonstrated.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Derivative Financial Instruments (continued)

A derivative with a positive fair value is accounted for as a financial asset, while a derivative with a negative fair value is accounted for as a financial liability. Derivative instruments are not shown net, except that the Group has the legal right and intent to offset these instruments. In cases where the time to maturity of the derivative instrument is longer than 12 months and it is not expected to be realized or finalized within 12 months, it is shown in the financial statements as a non-current asset or a long-term liability. The remaining derivatives are presented as current assets or current liabilities.

Disclosures on sale and repurchase agreements and securities lending transactions

Securities sold within the framework of repurchase agreements ("repo") are classified as "Things Subject to Repo" under the relevant security accounts and are valued at their fair values or discounted prices according to the internal rate of return, depending on their purpose of holding in the Bank's portfolio. Funds obtained from repo transactions are reflected as a separate item in passive accounts and a rediscount is recorded for interest expenses. Securities purchased with a commitment to resell ("reverse repo"), on the other hand, are shown as a separate item under the main item "Money Markets". Income accrual is calculated for the difference between the purchase and resale prices of securities purchased through reverse repurchase agreements.

Advances and loans given to customers

Financial assets formed by the Group for the purpose of making direct loans or loans are classified as advances and loans to customers and are recorded at amortized cost less any provision for impairment. All extended loans and advances are recorded in the consolidated financial statements when money is transferred to customers.

The Group allocates a loan impairment provision for advances and loans given if there is an objective finding that the loan amounts will not be collected. The provision amount is the difference between the book value of the loan and the recoverable amount. The recoverable amount is the current value of all cash flows, including the amounts that can be collected from collateral and guarantees, discounted based on the original effective interest rate at the time the loan originated. The loan impairment provision also includes losses that have objective evidence that potential losses exist in the loan portfolio at the balance sheet date.

Credit impairment provision is estimated by taking into account the Group's credit risk policy, the general structure of the current loan portfolio, the financial structure of customers, non-financial data, economic conjuncture and past experience.

Provisions made during the period are deducted from the income of that period. Non-collectible loans and receivables are deleted from the records after all legal procedures are completed. When the receivables related to the previously reserved loan are collected, the provision amount is deducted from the provision account in the balance sheet and reflected to the provision expense accounts in the income statement.

Available for sale financial assets

Although the Group's total voting rights are up to 20% or over 20%, the Group does not have a significant effect or not significant in terms of consolidated financial statements; not traded in an active market and the fair value of available for sale financial assets cannot be determined reliably, at cost if any, after deducting the provision for depreciation in the consolidated financial statements.

Borrowing cost

Borrowings are recognized initially at the proceeds received; net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the statement of income over the period of the borrowings.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued))

Borrowing cost (Continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are recognized in the profit or loss in the period in which they are incurred.

Foreign exchange differences relating to borrowings, to the extent that they are regarded as an adjustment to interest costs, are also capitalized. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

Impairment of assets

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount, which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the comprehensive statement of income.

The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortization amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted for in the comprehensive statement of income.

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:

i.) (has control or joint control over the reporting entity;
ii.) has significant influence over the reporting entity;
iii.) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies (continued)::

i.) The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
ii.) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
iii.) Both entities are joint ventures of the same third party.
iv.) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Related parties (continued)

v.) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
vi.) The entity is controlled or jointly controlled by a person identified in (a).
vii.) personnel of the entity (or of a parent of the entity).

Transaction with a related party is a transfer of resources, services or liabilities between the reporting entity and the related party, disregarding whether it is with or without a value.

Revenue

Revenue is recognized in the consolidated financial statements within the scope of the five-step model described below.

a) Definition of contracts with customers,
b) Definition of liabilities in contracts,
c) The amount of revenue can be measured reliably;
d) It is probable that the economic benefits associated with the transaction will flow to the entity; and
e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group evaluates the goods or services it undertakes in each contract with the customers and determines each commitment to transfer the said goods or services as a separate performance obligation. For each performance obligation, it is determined at the beginning of the contract that the performance obligation will be fulfilled overtime or at a certain time. If the Group transfers the control of a good or service over time and thus fulfils the performance obligations related to the related sales over time, it measures the progress of the fulfilment of the performance obligations and recognizes the revenue in the financial statements.

The revenue recognition of the Group's different activities is explained below

Income from construction contracts

Cost of contracts is recognized when incurred. These costs include the costs that relate directly to the specific contract and the costs that are attributable to contract activity in general and can be allocated to the contract and the other costs that are specifically chargeable to the customer under the terms of the contract. A major part of the costs includes the development expenses of the projects.

Where the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent of contract costs incurred that it is probable that it will be recoverable. Where the outcome of a construction contract can be estimated reliably, revenue is recognized over the terms of the contract term. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent of contract costs incurred that it is probable that it will be recoverable.

Revenue is measured at the fair value of the collected or uncollected receivables. Estimated returns, discounts, and allowances are deducted from afore mentioned value in the contract term. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

<u>*Income from construction contracts (continued)*</u>

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

The Group uses the "percentage-of-completion method" to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Each project contract is evaluated by the technical teams regarding the expected change in the upcoming costs and the profitability of the contracts that is determined as of the balance sheet dates. Besides the amounts of the contracts subjected to escalation as of the reporting date are estimated based on the contract details.

Government grants, if any, are also taken into consideration while calculating the profitability of the contract. The grants are recognized by offsetting from the costs in accordance with TAS 20 "Accounting for Government Grants and Disclosure of Government Assistance".

The Group presents the amount as an asset if the gross amounts due from customers for customer work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within "Trade Receivables".

The Group presents the amount as a liability if the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses). Contract costs are recognized as profit or loss in the period they occur as long as they do not create an asset related to future contractual activities. Expected contractual losses are immediately recognized as profit or loss.

Ongoing project works refer to the gross amounts received from clients for the project works related to the project contracts. Ongoing project works are measured by adding to incurred losses the profits received and deducting progress invoices and losses recognized. The gain recognized on the costs and losses recorded over the progress invoice for all project contracts, ongoing project works are recognized under trade and other receivables in the statements of financial position. The difference of contract invoices and recorded loss total that exceeds the cost of earnings recognized is accounted for as deferred revenue in the statement of financial position. Advances received from clients are shown as deferred income / revenue in the financial statements.

<u>*Service revenues*</u>

Income from the service delivery contract is recognized according to the completion stage of the contract.

<u>*Electricity sales revenue*</u>

Electricity sales revenues are recorded on an accrual basis over invoiced amounts in case of electricity delivery.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

Ongoing Project Activities

Project revenue and costs are recognized as revenue and expenses, respectively, when the outcome of a construction contract can be estimated reliably. The percentage of completion method is used to recognize revenue on a project as work progresses by matching contract revenue with project costs incurred based on the proportion of work completed which is determined by the ratio of actual costs incurred through to the end of each reporting period divided by the total estimated project costs of the projects. Contracts to manage, supervise or coordinate the construction activity of others are recognized only to the extent of the fee revenue.

Project costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Selling, general and administrative expenses are charged to the income statements as incurred. Provisions for estimated losses on uncompleted contracts are made in full, in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured.

Costs of project contracts represent the costs incurred less the sum of recognized costs (in the income statements) for all contracts in progress. Deferred revenue in excess of costs on uncompleted contracts represents future billings in excess of revenues recognized in the income statement. These costs and deferred revenue are subsequently recognized in the income statement based on the completion method which is based on engineering reports.

Gold sales revenues

Sales revenues consist of a combination of gold and silver ore bars delivered to gold refiners, the significant risks and rewards associated with the product are transferred to such gold refiners, the amount of revenue can be measured reliably and it is highly probable that the economic benefits associated with the transaction will be borne by the Group are taken to the records on the basis of the fair value of the price received or receivable. Net sales represent the invoiced value of the resale product, returns and discounted discounts.

Ballistic and armor products sales

Revenue is considered to be considered when the significant risks and rewards related to the products are transferred to the buyer, it is probable that the economic benefits associated with the sale will flow to the entity and the amount of revenue can be calculated reliably. Revenues and expenses related to the same transaction are taken to the financial statements simultaneously.

Rental income from real estate rentals

Rental income from real estate is recognized on an accrual basis on a straight-line basis throughout the relevant lease agreement. If there are benefits provided by the Company to its lessees, these are also recorded in such a way as to reduce the rental income during the rental period.

Real estate sale

The revenue is recognized in the financial statements when the contracted real estate is transferred to the customer and the performance obligation specified in the contract is fulfilled. When the control of the real estate is in the hands of the customer, the real estate is transferred.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

Installation of software services

The Group provides installation services for a variety of featured software. These services are considered as time-consuming performance obligations. The revenue for installation services is recorded as revenue depending on the stage of completion of the contract. The executives consider that the completion phase determined by the ratio of the time spent on installation to the planned total duration as of the date of the financial statement can be used to reasonably measure the progress towards full performance of these performance obligations under TFRS 15. The payment for the installation of the software services is made after the completion of the installation service and the amounts that are earned as a result of the service provided until the installation service is completed are reflected in the financial statements as a contract asset.

Finance sector

Explanations on futures and options contracts and derivatives

Derivative products held for trading (forward foreign currency purchase and sale contracts, swap transactions) of the Bank are classified, measured and accounted for in accordance with the provisions of "TFRS 9". Liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts over contract amounts. Derivative transactions are valued at fair value and are shown in the balance sheet in Derivative Financial Assets Held for Trading or Derivative Financial Liabilities accounts, depending on whether the fair value is positive or negative. As a result of the valuation, the differences in the fair value are reflected in the income statement.

Explanations on interest income and expense

Financial assets that are credit-impaired when purchased or granted, and credit-impaired financial assets when purchased or granted, with interest income based on the effective interest method (the ratio that equates to the present net present value of the future cash flows of the financial asset or liability) as defined in TFRS 9 Except for the financial assets that are not credited but become financial assets, they are accounted for by applying an effective interest rate to the gross book value of the financial asset.

If the financial asset is credit-impaired and is classified as non-performing loans, effective interest is applied to the amortized cost of the asset in subsequent reporting periods for such financial assets. The said interest income calculation is made on the basis of each contract for all financial assets subject to impairment calculation. In the expected credit loss models, the effective interest rate is applied when calculating the loss rate in case of default, and the expected credit loss calculation includes the said interest amount.

For this reason, a classification is made between the "Expected Loss Provisions Expenses" account and the "Interests Received from Loans" account in the income statement for the related amount calculated. If the credit risk of the financial instrument has improved such that the financial asset is no longer credit-impaired and this improvement can be objectively attributed to a later event (such as an increase in the borrower's credit rating), interest income for subsequent reporting periods is calculated by applying the effective interest rate to the gross book value. Interest income and expenses are recorded at their fair values and are accounted for on an accrual basis using the effective interest method (the rate that equates the future cash flows of the financial asset or liability to its current net book value) considering the current principal amount.

Explanations on fees and commission income and expenses

Fees and commissions, except those that are an integral part of the effective interest rate of financial instruments measured at amortized cost, are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Fees and commission income and expenses, excluding fee income from certain banking transactions that are recorded as income at once during the service period, and loan fees and commission expenses paid to other credit institutions and organizations are recognized on an accrual basis throughout the service period.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method in the scope of IFRS 3. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquire. Acquisition-related costs are generally recognized in profit or loss as incurred.

In accordance with IFRS 3, goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed

Nurol İnşaat owned 21.6% shares of Otoyol Yatırım İşletme A.Ş in 2012. Otoyol Yatırım İşletme A.Ş. has decided to increase its share capital from TL 250 million to TL 1 billion on 16 July 2013. In addition, Nurol İnşaat has increased its shares to 26.98% by purchasing shares of Yüksel İnşaat A.Ş. and Göçay İnşaat Taahhüt ve Ticaret A.Ş. with this purchase, for the 5% share, goodwill in the amount of TL 236.308 thousand has been paid (Note 18). As of 31 December 2019, part of the shares was sold back to Göçay İnşaat Taahhüt ve Ticaret A.Ş. and therefore Nurol İnşaat holds 25.95% of the shares of Otoyol Yatırım İşletme A.Ş. as of 30 June 2024

Earnings / (loss) per share

Earnings per share stated in the income statement are determined by dividing the net income per share of the parent group by the weighted average number of shares in the related year.

Companies in Turkey can increase their capital by distributing shares ("bonus shares") to existing shareholders from retained earnings and equity inflation adjustment differences. When earnings per share are calculated, these bonus shares are considered as issued shares. Therefore, the weighted average share weight used in calculating the earnings per share is obtained by retrospectively considering the bonus shares received.

Offsetting

In the existence of legal right or power of sanction for offsetting the financial assets and liabilities included in the consolidated financial statements and in the case of collection/payment or simultaneous finalization of aforementioned financial assets and liabilities, the net amounts are stated.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Events after the reporting date

Events after the reporting date; It covers all events between the reporting date and the date the statement of financial position is authorized for issue, even if they occur after any announcement or other selected financial information that affects profit or loss has been made public.

In the event that events requiring adjustment occur after the reporting date, the Group adjusts the amounts recognized in the financial statements in accordance with this new situation. Matters arising after the reporting date that do not require adjustment are disclosed in the notes according to their materiality.

Provisions, contingent assets and liabilities

Provisions

Provisions are recognized 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, and a reliable estimate can be made of the amount of the 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 considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Contingent Assets and Liabilities

Liabilities and assets that can be confirmed by the realization of one or more uncertain future events, arising from past events and the existence of which is not fully under the Group's control, are considered contingent liabilities and assets and are not included in the financial statements.

Foreign currency transactions

Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions using the Turkish Central Bank buying exchange rates. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The foreign exchange gains and losses are recognized in the income statement.

	30 June 2024	**31 December 2023**
USD	32,8262	29,4382
EUR	35,1284	32,5739
GBP	41,4365	37,4417
DZD (Algeria)	0,24421	0,21964
GEL (Georgia)	11,7342	10,9616
AED (Arab Emirates)	8,8870	7,9704
RON (Romania)	7,0179	6,5113

(Currency –Thousand Turkish Liras “TL” in terms of purchasing power of the “TL” at 30 June 2024 unless otherwise expressed)

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Onerous contracts

A contract is considered onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received by the Group. Present obligations arising under onerous contracts are measured and recognized as a provision.

Government grants and incentives

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Employee benefits

In accordance with the current social legislation, the Group is obliged to pay accumulated compensation for each employee who completes one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation and misconduct.

In accordance with Turkish laws and union agreements, lump-sum payments are made to employees who retire or leave the Group unintentionally. Such payments are considered to be a part of the defined retirement benefit plan in accordance with "Turkish Accounting Standard (revised) Employee Benefits ("TAS 19") No. 19.

The severance pay liability in the accompanying consolidated financial statements has been calculated in accordance with the recognition and valuation principles specified in TAS 19 “Employee Benefits”. Since the severance pay obligations are identical with the 'Specific Post-employment Benefit Plans' defined in this standard in terms of their characteristics, these liabilities have been calculated and included in the financial statements using some of the assumptions explained below. The main assumptions used as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Discount rate	25,05%	25,05%
Annual inflation rate	21,41%	21,41%

TAS 19 ("Employee Benefits") has been revised to be valid for accounting periods beginning after January 1, 2013. In accordance with the revised standard, actuarial gains/losses on employee benefits are recognized in the statement of comprehensive income.

EBITDA

This financial data is an indicator of the measured income of a business without taking into account financing, tax, depreciation and amortization expenses. This financial data is separately stated in the financial statements because it is used by some investors to measure the ability of the enterprise to repay its loans and/or to borrow additional money. EBITDA should not be taken into account independently of other financial data, it is derived from financial indicators such as net profit (loss), net cash flow from operating, investment and financing activities, financial data obtained from investment and financial activities or prepared in accordance with TFRS, or the operating performance of the business. It should not be considered as an alternative to other data obtained. This financial information should be evaluated together with other financial data in the cash flow statement.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Statement of cash flows

In the consolidated statement of cash flows, cash flows for the period are classified and reported on the basis of operating, investing and financing activities.

Cash flows from operating activities represent cash flows from the Group's ongoing construction activities, mining sates, financial institution income to name a few.

Cash flows from investing activities represent the cash flows that the Group uses and receives from its investing activities (fixed and financial investments).

Cash flows from financing activities show the resources used by the Group in financing activities and the repayments of these resources.

Cash and cash equivalents are cash, demand deposits and other highly liquid short-term investments that have maturities of three months or less from the date of purchase, are immediately convertible into cash, and do not carry the risk of significant changes in value.

Differences arising from the translation of the cash flow statement from the functional currency to the presentation currency are shown as translation differences in the cash flow statement.

Taxes calculated on corporate income and deferred tax

As Turkish Tax Legislation does not allow the parent company and its subsidiary to prepare consolidated tax returns, tax provisions have been calculated on a separate-entity basis, as reflected in the consolidated financial statements.

Income tax expense is the sum of current tax and deferred tax expense.

<u>Current tax</u>

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the statement of profit or loss in that it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's current tax liability has been calculated using the tax rate that has been enacted or substantially enacted as of the reporting period.

<u>Deferred tax</u>

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by generating taxable profit in the future. The mentioned assets and liabilities are not recognized if they arise from the initial recognition of the temporary difference, goodwill or other assets and liabilities (other than business combinations) related to the transaction that does not affect the commercial or financial profit/loss.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, unless the Group is able to control the disappearance of temporary differences and it is unlikely that the difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

Carrying amount of deferred tax asset is reviewed at each reporting period. The carrying amount of the deferred tax asset is reduced to the extent that it is not likely to generate a financial profit sufficient to allow some or all of the benefits to be obtained.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Taxes calculated on corporate income and deferred tax (continued)

Deferred Tax (Continued)

Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are expected to be valid in the period when the assets will be realized, or the liabilities will be fulfilled, and which have been enacted or substantially enacted as of the reporting date.

During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfil its liabilities as of the reporting period are taken into account.

Deferred tax assets and liabilities, when there is a legal right to set off current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority, or if the Group intends to settle its current tax assets and liabilities on a net basis. is deducted.

Current and Deferred Income Tax

Current tax and deferred tax for the period are expense or income in the statement of profit or loss, excluding those associated with items receivable or payable directly in equity (in which case deferred tax is also recognized directly in equity) or arising from the initial recognition of business combinations. accounted for. In business combinations, tax effects are taken into account when calculating goodwill or determining the portion of the purchaser's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary exceeding the acquisition cost.

2.7 Use of Estimates

In the preparation of the consolidated financial statements, the Group management is required to make assumptions and estimates that will affect the reported amounts of assets and liabilities, determine the probable liabilities and commitments as of the date of the consolidated financial statements, and the income and expense amounts as of the reporting period. Actual results may differ from estimates. Estimates are reviewed regularly; necessary corrections are made and reflected in the comprehensive income statement in the period they are realized. However, actual results may differ from these results.

The assumptions made by considering the interpretations that may have a material effect on the amounts reflected in the consolidated financial statements and the main sources of the existing or future estimates at the date of the financial statements are as follows:

It uses the percentage completion rate method in the accounting of construction contracts, and since the ratio of the contract expense realized until a certain date to the estimated total cost of the contract is calculated, within the scope of TFRS 15, the total estimated costs and project profitability of the projects are determined and the loss provision calculation for the projects that are expected to end with a loss.

Severance pay liability is determined using actuarial assumptions (discount rates, future salary increases and employee turnover rates).

Provisions for litigation are determined by the management in each period by taking the opinions of the Company's legal advisors on the possible consequences of ongoing lawsuits as of the date of preparation of the financial statement, which may lead to cash outflows.

The Group management has made important assumptions in the determination of the useful economic lives of the tangible assets in line with the experience of the technical team.

2. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.7 Use of Estimates (Continued)

a) The Group reviews its assets in order to set aside a provision for impairment when it is revealed that the assets may not be sold at their book value, in line with the developing events or changing conditions. If there is such an indication and the carrying value of the assets exceeds the estimated recoverable value, the assets and cash-generating units are presented at their estimated recoverable value. The recoverable value of the assets is the higher of the net selling price or value in use.

b) The impairment loss in trade receivables and other receivables is based on the Company management's assessment of the volume of trade receivables, past experiences and general economic conditions.

c) The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. These differences are generally due to the fact that the tax base amounts of some income and expense items take place in different periods in the legal financial statements and the financial statements prepared in accordance with TFRS.

3. Interests in Other Entities

The disclosures related to the Group's subsidiaries, business associations and affiliate's names, affiliated country and ownership rates are presented in Note 1.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

4. Segment Reporting

As of 30 June 2024, and 31 December 2023, details of the Group's total assets and total liabilities by segment is as follows:

30 June 2024	Holding	Construction and Real Estate	Energy	Defence	Service	Tourism	Mining	Finance (Bank)	Eliminations	Total
Total assets	34.785.389	67.297.801	9.513.635	28.824.856	836.372	1.907.344	22.677.090	38.097.876	(43.649.906)	160.290.457
Total liabilities	34.785.389	67.297.801	9.513.635	28.824.856	836.372	1.907.344	22.677.090	38.097.876	(43.649.906)	160.290.457

31 December 2023	Holding	Construction and Real Estate	Energy	Defence	Service	Tourism	Mining	Finance (Bank)	Eliminations	Total
Total assets	35.170.075	69.517.064	9.638.818	32.640.754	950.517	1.927.363	21.821.941	38.600.469	(42.064.720)	168.202.281
Total liabilities	35.170.075	69.517.064	9.638.818	32.640.754	950.517	1.927.363	21.821.941	38.600.469	(42.064.720)	168.202.281

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

4. Segment Reporting (Continued)

1 January – 30 June 2024	**Holding**	**Construction**	**Energy**	**Defense**	**Services**	**Tourism**	**Mining**	**Finance**	**Eliminations**	**Total**
Revenue	334.327	7.007.240	612.497	3.761.424	158.630	340255	6.987.054	--	(654.429)	18.546.998
Finance sector operating income	--	--	--	--	--	--	--	5.709.210	(415.281)	5.293.929
Cost of sales	(316.822)	(6.002.360)	(499.087)	(2.868.491)	(130.056)	(230.712)	(3.291.078)	--	250.825	(13.087.781)
Finance sector operating cost	--	--	--	--	--	--	--	(3.436.614)	--	(3.436.614)
Gross profit	**17.505**	**1.004.880**	**113.410**	**892.933**	**28.574**	**109.543**	**3.695.976**	**2.272.596**	**(818.885)**	**7.316.532**
Operating expenses	(76.789)	(720.169)	(42.558)	(760.750)	(17.256)	(102.806)	(402.016)	(740.329)	403.604	(2.459.069)
Other operating income / (expenses), net	(94.488)	(14.683)	(1.244)	(10.112)	(1.053)	14.720	(25.784)	(221.334)	--	(353.978)
Operating profit/(loss)	**(153.772)**	**270.028**	**69.608**	**122.071**	**10.265**	**21.457**	**3.268.176**	**1.310.933**	**(415.281)**	**4.503.485**
Shares from profit / (loss) from investments revalued with the equity method	--	4.907.425	--	--	--	--	--	--	--	4.907.425
Income /(expenses) from investing activities, net	5.241	162.463	2	1.030	(30)	2.205	(756)	150.270	--	320.425
Financial income /(expenses), net	237.122	(9.762.860)	150.873	(818.990)	(3.812)	11.057	(434.036)	(1.214.136)	415.281	(11.419.501)
Profit / (loss)before tax from continued operations	**88.591**	**(4.422.944)**	**220.483**	**(695.889)**	**6.423**	**34.719**	**2.833.384**	**247.067**	**--**	**(1.688.166)**
Tax expense for the year	--	--	--	--	--	--	(601.285)	(238.132)	--	(839.417)
Deferred tax income/(expense)	(2.371)	592.470	(207.234)	334.467	3.954	240.479	214.439	29.404	--	1.205.608
Net profit / (loss)for the continued operations period	**86.220**	**(3.830.474)**	**13.249**	**(361.422)**	**10.377**	**275.198**	**2.446.538**	**38.339**	**--**	**(1.321.975)**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

4. Segment Reporting (Continued)

As of 31 December 2023 , details of the Group's total assets and total liabilities by segment is as follows

1 January – 30 June 2023	**Holding**	**Construction**	**Energy**	**Defense**	**Services**	**Tourism**	**Mining**	**Finance**	**Eliminations**	**Total**
Revenue	195.112	10.503.332	866.095	3.521.314	81.970	294677	6.917.771	--	(1.044.488)	21.335.783
Finance sector operating income	--	--	--	--	--	--	--	4.968.779	(643.115)	4.325.664
Cost of sales	(182.777)	(8.800.648)	(775.134)	(2.846.057)	(94.135)	(191.683)	(2.929.671)	--	791.638	(15.028.467)
Finance sector operating cost	--	--	--	--	--	--	--	(1.576.847)	--	(1.576.847)
Gross profit	**12.335**	**1.702.684**	**90.961**	**675.257**	**(12.165)**	**102.994**	**3.988.100**	**3.391.932**	**(895.965)**	**9.056.133**
Operating expenses	(20.653)	(620.452)	(33.482)	(709.178)	(12.326)	(81.981)	(275.702)	(608.638)	252.850	(2.109.562)
Other operating income / (expenses), net	(1.224.527)	(63.592)	(1.737)	(118.960)	3.655	14.644	(116.164)	138.328	--	(1.368.353)
Operating profit/(loss)	**(1.232.845)**	**1.018.640**	**55.742**	**(152.881)**	**(20.836)**	**35.657**	**3.596.234**	**2.921.622**	**(643.115)**	**5.578.218**
Shares from profit / (loss) from investments revalued with the equity method	--	13.287.665	--	--	--	--	--	--	--	13.287.665
Income /(expenses) from investing activities, net	5.148	(722.398)	141	(3.308)	456	647.484	2.219	49.749	--	(20.509)
Financial income /(expenses), net	(4.773.990)	(6.544.721)	(465.075)	(967.161)	(25.305)	6.740	(462.377)	(661.776)	643.115	(13.250.550)
Profit /(loss) before tax from continued operations	**(6.001.687)**	**7.039.186**	**(409.192)**	**(1.123.350)**	**(45.685)**	**689.881**	**3.136.076**	**2.309.595**	**--**	**5.594.824**
Tax expense for the year	(857)	--	(3.000)	(7)	7	--	(602.085)	(689.234)	--	(1.295.176)
Deferred tax income/(expense)	(4.982.007)	1.150.566	(117.879)	(180.754)	(2.057)	(181.687)	(662.820)	--	--	(4.976.638)
Net profit / (loss) for the continued operations period	**(10.984.551)**	**8.189.752**	**(530.071)**	**(1.304.111)**	**(47.735)**	**508.194**	**1.871.171**	**1.620.361**	**--**	**(676.990)**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

5. Related Party Disclosures

a) Current trade receivables from related parties	**30.06.2024**	**31.12.2023**
Nurol Grup Elektrik Toptan Satış A.Ş.	62.927	42.839
Otoyol İşletme ve Bakım A.Ş.	18.092	13.818
Çarmıklı Family	14.141	1.347
Otoyol Yatırım ve İşletme A.Ş.	6.888	12.517
Nurol Tower Site Yönetimi	509	574
BİNOM Highend Mühendislik A.Ş.	447	--
Çarmad Madencilik Sanayi ve Ticaret Ltd. Şti	442	390
Nurol Park Site Yönetimi	250	171
SGO İnşaat Sanayi ve Ticaret A.Ş.	51	3.034
Industriekeramik Hochrhein GmbH	--	3.088
Other	381	373
	104.128	**78.151**

b) Non-current trade receivables from related parties	**30.06.2024**	**31.12.2023**
Otoyol Yatırım ve İşletme A.Ş.	--	3.685
	--	**3.685**

c) Current trade payables to related parties	**30.06.2024**	**31.12.2023**
Nurol Grup Elektrik Toptan Satış A.Ş.	34.830	22.903
SGO İnşaat Sanayi ve Ticaret A.Ş.	9.290	19.585
Other	1	5
	44.121	**42.493**

d) Other current receivables from related parties	**30.06.2024**	**31.12.2023**
Çarmıklı Family	67.540	5.739
Nurol Technology USA, LLC	18.911	13.811
Nurol Technology Germany GMBH	6.736	430.332
Nurol Makina UK LTD.	4.881	4.797
SGO İnşaat Sanayi ve Ticaret A.Ş.	--	296
Other	80	78
	98.148	**455.053**

e) Other non-current receivables from related parties	**30.06.2024**	**31.12.2023**
Otoyol Yatırım ve İşletme A.Ş.	--	209.658
	--	**209.658**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

5. Related Party Disclosures (Continued)

f) Other current payables to related parties	**30.06.2024**	**31.12.2023**
Çarmıklı Family	9	48.525
Otoyol Yatırım ve İşletme A.Ş.	--	2.173
Other	68	306
	77	**51.004**

g) Advanced received from related parties	**30.06.2024**	**31.12.2023**
Nurol Makina Hungary KFT.	743.799	--
Nurol Grup Elektrik Toptan Satış A.Ş.	10.665	--
BAE Systems (Operations) Limited	--	20.664
	754.464	**20.664**

6. Cash and Cash Equivalents

	30.06.2024	**31.12.2023**
Cash on hand	92.553	622.271
Cash at banks		--
- demand deposit	4.135.367	3.465.455
- time deposit	1.905.979	1.004.883
- blocked deposit	--	112.608
Due from banks and financial institutions	5.317.680	5.906.914
Central Bank deposit reserve	529.333	2.006.325
Currency protected deposits	--	49.214
Reverse repo transactions	--	1.418
Credit card receivables	21.660	37.096
	12.002.572	**13.206.184**

As of 30 June 2024 and 31 December 2023, details of bank statement per company are as follows:

	30.06.2024	**31.12.2023**
Nurol İnşaat	2.624.009	1.250.651
Tümad Madencilik	2.335.868	1.330.856
Nurol Holding	443.899	979.776
FNSS	199.474	568.497
Nurol Makina	176.445	125.562
Nurol Gayrimenkul	99.713	131.566
Enova Toptan	38.575	2.246
Turser Turizm	33.904	23.378
Nurol Havacılık	22.863	14.746
Nurol Göksu	14.310	12.850
Enova Enerji	6.915	82
Nurol Teknoloji	6.884	109.498
Nurol CAS	3.069	3.395
Other	35.418	29.843
	6.041.346	**4.582.946**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

7. Trade Receivables and Payables

	30.06.2024	**31.12.2023**
Current trade receivables		
Construction Group		
- Nurol Algeria Branch	821.684	2.191.327
- Nurol Romania Branch	799.351	128.423
- Nurol LLC	753.383	547.052
- Nurol İnşaat ve Ticaret A.Ş.	391.545	494.101
- Nurol – Gülermak - Makyol Joint Venture	223.384	49.850
- Gülsan - Nurol Joint Venture	16.298	17.838
- Nurol Georgia Branch	8.915	10.609
- Nurol - Mesa Joint Venture	3.663	13.101
- Nurol - YDA - Özka Joint Venture	1.675	57.718
- Alkataş - Nurol Joint Venture	170	--
Holding Group		
- Nurol Makina	986.491	576.791
- Nurol Teknoloji	247.157	314.658
- FNSS	181.155	1.105.546
- Turser Turizm	33.936	38.303
- Enova Toptan Satış	33.872	24.789
- Nurol GYO	9.898	11.232
- Bosfor Turizm	7.813	13.747
- Botim İşletme	7.301	6.191
- Nurol Solar Enerji	3.854	31.388
- Nurol CAS	2.231	1.474
- Nurol Holding	374	266
Current trade receivables from related parties (Note 5)	104.128	78.151
Other trade receivables	31.626	19.286
Notes receivable (*)	145.977	35.007
Doubtful trade receivables	50.596	45.446
Provision for doubtful trade receivables (-)	(50.596)	(45.446)
	4.815.881	**5.766.848**

(*) As of 30 June 2024, TL 145.4 thousand of the notes receivables is comprimised of notes received from Nurol İnşaat's Yeşilyaka and Zekeriyaköy villa sales.

Non-current trade receivables	**30.06.2024**	**31.12.2023**
Non-current trade receivables		
Non-current trade receivables from related parties (Note 5)	--	3.685
	--	**3.685**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

7. Trade Receivables and Payables (Continued)

Current trade payables	**30.06.2024**	**31.12.2023**
Current trade payables		
Construction Group		
- Nurol Romania Branch	1.496.895	125.609
- Nurol LLC	1.238.377	1.568.590
- Nurol Gülermak Makyol Joint Venture	392.392	272.044
- Nurol Algeria Branch	365.491	611.222
- Nurol İnşaat ve Ticaret A.Ş.	211.872	622.357
- Nurol Georgia	81.638	27.455
- Gülsan - Nurol Joint Venture	22.314	10.604
- Özgün - Nurol Joint Venture	5.235	993
- Alkataş - Nurol Joint Venture	3.029	--
- Nurol - Mesa Joint Venture	2.972	4.439
- Nurol - YDA - Özka Joint Venture	1.112	65.311
Holding Group		
- FNSS	3.199.198	4.410.251
- Nurol Makina	777.517	952.961
- Nurol GYO	317.922	345.803
- Tümad Madencilik	298.593	484.615
- Nurol Teknoloji	164.814	203.011
- Nurol Sigorta	54.630	80.212
- Enova Enerji	15.719	14.863
- Turser Turizm	14.710	28.532
- Bosfor Turizm	10.641	16.482
- Nurol Holding	8.648	12.628
- Nurol Solar	17.604	--
- Nurol Havacılık	9.745	--
Current accounts of credit customers (Nurol Investment Bank)	14.352.741	14.981.303
Trade payables to related parties (Note 5)	44.121	42.493
Other trade payables	20.373	11.651
Notes payable	61.785	37.632
	23.190.088	**24.931.061**

Non-current trade payables	**30.06.2024**	**31.12.2023**
Non-current trade payables		
Nurol İnşaat trade payables (*)	3.701.928	4.307.524
	3.701.928	**4.307.524**

(*) Non - current trade payables consist of transit trade transactions within the scope of Nurol İnşaat's supply of construction materials abroad.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

8. Financial Investments

Current	30.06.2024	31.12.2023
Stock shares	32.972	4.830
Investment funds (**)	216.187	15.677
Eurobond (*)	73.951	83.651
	323.110	**104.158**

(*) Nurol GYO holds a debt security issued by the Turkish Treasury Undersecretariat, with a nominal value of USD 2.2 thousand, a coupon rate of 6.35%, and a maturity date of 10 August 2024.

(**) As of 30 June 2024, TL 193.1 of the investment fund is largely comprised of the Ak Portfolio Third Money Market (TL) Fund and the Deniz Portfolio Twelfth Free (Foreign Currency) Fund.

9. Receivables From Financial Sector Activities

Current	30.06.2024	31.12.2023
Financial leasing receivables	403.448	200.231
Current loan receivables	9.427.599	6.167.529
Assets held for sale	110.172	112.667
Held for sale trading investments – Nurol Bank		
- Turkish government bonds -TL	28.119	77.404
Held for sale – Nurol Bank		
Borrowing instruments - TL (*)	9.416.918	7.461.318
Equity instruments	55.875	69.693
Expected credit loss (-) (**)	(8.955)	(9.671)
	19.433.176	**14.079.171**

Non-current	30.06.2024	31.12.2023
Non-current loan receivables	5.585.130	7.389.643
Receivables from other financial operations	1.813.036	1.942.275
	7.398.166	**9.331.918**

(*) The portion of TL 343.631 in financial assets at fair value through other comprehensive income consists of government bonds, TL 5.053 consists of bank bills, and 3.564.705 TL consists of securities issued by the private sector, TL 829.942 consist of domestic banks,TL 1.773.156 from the Turkish Treasury, TL 2.292.567 from the private sector, and TL 598.909 from foreign bank.

(**) As of 30 June 2024, a provision of TL 8,955 has been set aside for financial assets at fair value through other comprehensive income.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

10. Financial Liabilities

Current financial liabilities	30.06.2024	31.12.2023
Current bank borrowings	16.548.589	18.437.023
Short-term portions of long-term loan	3.550.281	1.896.795
Financial lease payables	115.505	268.160
Interest accruals	363.367	411.506
Total current financial liabilities	**20.577.742**	**21.013.484**

Non-current financial liabilities	30.06.2024	31.12.2023
Non-current bank borrowings	16.187.185	17.593.079
Financial lease payables	234.855	344.754
Total non-current financial liabilities	**16.422.040**	**17.937.833**
Total financial liabilities	**36.999.782**	**38.951.317**

As of 30 June 2024 and 31 December 2023 details of current and non-current financial liabilities are as follows:

Current	Average interest rate%	Foreign Currency 30.06.2024	TL Equivalent 30.06.2024	Foreign Currency 31.12.2023	TL Equivalent 31.12.2023
Bank loans					
- TL	52,57	2.867.096	2.867.096	2.486.599	2.486.599
- USD	10,46	439.481	14.426.493	498.802	14.683.845
- EUR	10	79.858	2.805.281	82.386	2.683.624
Nurol LLC loans (AED)		--	--	60.191	479.750
Financial lease payables					
- EUR		210	7.392	4.503	146.664
- USD		1.760	57.772	2.195	64.630
- TL		50.341	50.341	56.866	56.866
Interest accruals		--	363.367	--	411.506
			20.577.742		**21.013.484**
Non-current					
Bank loans					
- TL	52,57	178.624	178.624	175.936	175.936
- USD	10,46	112.820	3.703.447	139.066	4.093.865
- EUR	10	83.033	2.916.827	100.474	3.272.822
Nurol LLC loans (AED)		86.394	767.783	111.363	887.605
Georgia loans (GEL)		30.122	353.454	37.576	411.895
Financial lease payables					
- USD		3.080	101.106	4.938	145.368
- TL		133.749	133.749	199.386	199.386
Reclassified financial liabilities (*)					
- TL		2.257.445	2.257.445	2.207.840	2.207.840
- USD		155.405	5.101.355	164.166	4.832.758
- EUR		25.855	908.250	52.507	1.710.358
			16.422.040		**17.937.833**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

10. Financial Liabilities (Continued)

(*) Bank loans are generally obtained in connection with construction and contracting activities carried out. Based on agreements made with creditor banks (written or none written) repayment of the loans will be made by discharge of progress billing realized over the construction period. The maturity date of the loans is revised subject to extensions made in the completion periods according to the status of the projects. Reclassified bank loans are short term financial liabilities according to signed legal documents. Therefore, these loans are considered as long-term bank loans on an economic basis. As a result, reclassified bank loans are accounted for under long-term bank loans.

Letters of guarantee given by Nurol Holding and its subsidiaries for bank loans, guarantee checks, sureties of company partners and Nurol Holding are listed in Note 23 Provisions, Contingent Assets and Liabilities.

The repayment schedule of the financial liabilities are as follows:

	30.06.2024	**31.12.2023**
Within 1 year	20.577.742	21.013.484
1 - 2 years	15.371.215	10.316.570
2 - 3 years	390.902	5.581.083
3 - 4 years	105.436	1.979.897
4 - 5 years	115.796	30.201
5 - 6 years	93.151	30.082
6 - 7 years	345.540	--
	36.999.782	**38.951.317**

Debt Securities Issued

a) *Current debt securities and bonds issued*

	30.06.2024	**31.12.2023**
Bank bills	6.114.791	2.510.241
Bonds issued	1.123.866	971.099
	7.238.657	**3.481.340**

b) *Non-current debt securities and bonds issued*

	30.06.2024	**31.12.2023**
Bonds issued	2.000.000	3.342.887
	2.000.000	**3.342.887**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

10. Financial Liabilities (Continued)

Debt Securities Issued (continued)

The non-redemption of the issues made by the Group as of 30 June 2024 are listed below;

Issue Type	*Issue Date*	*Due Date*	*Nominal Value*	*Interest Rate*
Nurol Investment Bank				
Bonds	24.06.2024	10.01.2025	350.000	51.50%
Bonds	13.05.2024	8.05.2025	80.000	56.00%
Bonds	26.03.2024	3.07.2024	200.000	55.00%
Bonds	3.04.2024	11.07.2024	200.000	57.00%
Bonds	16.04.2024	19.07.2024	150.000	57.50%
Bonds	19.04.2024	23.07.2024	500.000	58.00%
Bonds	30.04.2024	30.07.2024	650.000	58.00%
Bonds	22.02.2024	16.08.2024	600.000	47.50%
Bonds	3.05.2024	6.08.2024	350.000	58.00%
Bonds	10.05.2024	13.08.2024	270.000	57.00%
Bonds	14.05.2024	13.08.2024	400.000	56.00%
Bonds	28.05.2024	27.08.2024	350.000	53.50%
Bonds	4.06.2024	3.09.2024	250.000	52.00%
Bonds	28.06.2024	20.12.2024	400.000	51.00%
Bonds	12.06.2024	2.10.2024	400.000	52.00%
Bonds	17.05.2024	12.11.2024	350.000	53.50%
Bonds	23.05.2024	29.11.2024	250.000	52.00%
Bonds	21.02.2024	14.02.2025	150.000	47.50%
Bonds	6.03.2024	28.02.2025	150.000	48.50%
Bonds	30.04.2024	8.11.2024	100.000	40.00%
Bonds	29.03.2024	5.07.2024	50.000	57.00%
Bonds	14.02.2024	8.08.2024	200.000	46.50%
Bonds	25.06.2024	24.12.2024	250.000	51.00%
Bonds	5.04.2024	4.10.2024	150.000	57.00%
Bonds	8.05.2024	31.10.2024	150.000	58.00%
Bonds	7.06.2024	9.10.2024	200.000	52.00%
Bonds	21.05.2024	15.11.2024	150.000	53.50%
Bills	18.01.2023	21.01.2025	200.000	25.00%
Bills	5.07.2022	8.07.2024	50.000	26.00%
Bills	26.07.2022	29.07.2024	300.000	27.50%
Bills	20.01.2023	22.08.2024	40.000	25.00%
Bills	13.09.2022	18.09.2024	50.000	21.00%
Bills	20.01.2023	31.10.2024	120.000	25.00%
Nurol Holding				
Bills	16.03.2022	12.03.2025	100.000	29,75%
Bills	23.06.2022	19.06.2025	80.000	35,00%
Nurol İnşaat				
Bills	28.11.2023	25.02.2025	400.000	49,75%
Bills	8.12.2022	4.12.2025	600.000	39,50%
Bills	31.05.2022	23.05.2025	100.000	59,44%
Bills	30.12.2021	15.01.2027	1.400.000	49,75%

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11. Funds Borrowed

	30.06.2024	31.12.2023
Funds borrowed	4.197.021	5.682.691
Obligations under repurchase agreements	5.158.760	5.531.419
	9.355.781	**11.214.110**

12. Other Receivables and Payables

Other current receivables	**30.06.2024**	**31.12.2023**
Due from related parties (Note 5)	98.148	455.053
Advances given to personnel	36.446	31.629
Deposits and guarantees given		
Construction Group		
- Nurol LLC	891.966	954.228
- Nurol Romania Branch	20.097	53.480
- Nurol - Gülermak - Makyol Joint Venture	126	157
Holding Group		
- Nurol Teknoloji	748	878
- Nurol Makina	123	120
- Other Group Companies	326	166
Other doubtful receivables		
- Nurol Holding	320	399
- Nurol İnşaat	1.864	1.978
- Other Group Companies	41	45
Provision for doubtful other receivables (-)	(2.225)	(2.422)
Other	60.954	38.573
	1.108.934	**1.534.284**

Other non-current receivables	**30.06.2024**	**31.12.2023**
Non-current receivables from related parties (Note 5)	--	209.658
Deposits and guarantees given	55.306	3.071.376
	55.306	**3.281.034**

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12. Other Receivables and Payables (Continued)

Other current payables	**30.06.2024**	**31.12.2023**
Due to related parties (Note 5)	77	51.004
Deposits and guarantees received	223.965	194.232
Other payables (*)	647.994	533.017
Other (**)	781.546	1.201.749
	1.653.582	**1.980.002**

Other non-current payables	**30.06.2024**	**31.12.2023**
Deposits and guarantees received	49.282	93.803
Other payables (*)	2.617.082	2.525.759
	2.666.364	**2.619.562**

(*) Based on the license transfer agreement signed with ESAN Eczacıbaşı, Tümad Madencilik Sanayi ve Ticaret A.Ş. will pay a Smelting Return (NSR) for each ounce of gold production. NSR calculations are based on the annual Independent Precious Metals Corporation ("LBMA") average annual a.m. based on the fixing price. Payments will be made between 2022 and 2028 in accordance with the transfer.

(**) 773 TL of the Group's other receivables consists of Nurol Investment Bank's lease obligations and other various debts.

13. Inventories

	30.06.2024	**31.12.2023**
Raw materials		
- Nurol Makina (*)	1.740.302	2.027.341
- Tümad (*****)	1.051.522	1.160.097
- FNSS	1.041.427	1.161.858
- Nurol Teknoloji (****)	240.909	388.238
- Nurol İnşaat (***)	45.485	189.191
Semi-finished goods		
- Nurol Makina (*)	1.847.052	1.254.654
- Tümad (*****)	1.145.735	964.679
- Nurol Teknoloji (****)	301.848	234.058
- Nurol İnşaat (***)	217.722	352.883
Finished goods		
- Nurol Makina (*)	402.977	897.782
- Nurol İnşaat (***)	253.393	170.296
- Nurol Teknoloji (****)	234.044	185.082
- Tümad	3.334	2.850
Subtotal	**8.525.750**	**8.989.009**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

13. Inventories (Continued)

	30.06.2024	31.12.2023
Subtotal	**8.525.750**	**8.989.009**
Trade goods		
- Nurol İnşaat (***)	74.982	26.729
- Turser Turizm	29	6.485
- Nurol Gayrimenkul ticari mallar (**)	616.485	676.856
Other inventories		
- Tümad	908.642	1.021.332
- Nurol Makine (*)	48.266	45.368
- Nurol Teknoloji	530	3.178
- Nurol İnşaat (***)	87.412	80.460
- Other Group Companies	98.398	27.820
	10.360.494	**10.877.237**

(*) The balance is comprised of raw materials and semi-finished products purchased by Nurol Makina for its projects in the Defense Industry.

(**) TL 616.485 thousand of the merchandises is comprised of the developing and finished residence construction projects of Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. The amount is comprised of 3 projects:.

	30.06.2024	31.12.2023
Ödül İstanbul Project	398.954	419.269
Nurol Life Project	125.141	158.528
Nurol Tower Project	92.390	99.059
	616.485	**676.856**

As of 30 June 2024, there is a mortgage in the amount of TL 1.800.000 on the construction projects of Nurol GYO.

(***) The remaining semi-finished products of Nurol İnşaat consist of Mesa Nurol Yeşilyaka project 1st Stage (Koru), 2nd Stage (Su), 3rd Stage (production has not started) villa projects. It includes 679 villas, social facilities and general areas with a total construction area of 245.426 m2. Nurol Georgia Residence project, which is the product balance of Nurol İnşaat, consists of 54 residences and 3 stores on a construction area of 6.423 m2. 28 residences and 1 shop were sold. The remaining flats and shops are followed under the finished goods account.

(****) The raw materials of Nurol Teknoloji are mainly comprised of boron carbide, silicon carbide, alumina, special ballistic fabric and armor steel used for the production of ballistic vest, ballistic plate, ballistic shield, armored cabin and visor products. Its finished goods on the other hand, consist of ballistic armor solutions such as ballistic vest, ballistic plate, ballistic shield, armored cabin and visors.

(*****) The raw materials of Tümad Madencilik is comprised of the extracted ores and the materials and chemicals used in gold processing. Semi-finished products consist of semi-processed gold and silver.

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14. Prepaid Expenses and Deferred Income

Prepaid expenses in current assets	**30.06.2024**	**31.12.2023**
Order advances given for inventories		
- FNSS	705.235	879.282
- Nurol Makina	188.280	110.615
- Nurol Teknoloji	162.022	118.352
- Nurol İnşaat ve Ticaret A.Ş.	139.907	82.175
- Nurol Gayrimenkul	6.567	6.134
- Other Group Companies	6.366	17.928
Prepaid expenses (*)	1.138.202	807.682
	2.346.579	**2.022.168**

Prepaid expenses in non-current assets	**30.06.2024**	**31.12.2023**
Advances paid for fixed assets	7.009	8.743
Prepaid expenses (*)	141.426	192.980
	148.435	**201.723**

(*) The majority of the prepaid expenses are comprised of insurance expenses recorded according to the matching principle.

Current deferred income	**30.06.2024**	**31.12.2023**
Deferred income		
- FNSS	106.928	--
- Nurol Gayrimenkul	5.654	5.143
- Turser Turizm	5.357	6.304
- Nurol İnşaat	1.910	188
- Nurol Teknoloji	1.356	7.791
- Other	1.612	1.103
Advances received		
- Nurol Makina	2.651.416	3.281.585
- Nurol İnşaat	499.752	624.395
- FNSS	303.266	931.220
- Nurol Teknoloji	205.547	240.905
- Nurol Gayrimenkul	203.273	223.285
- Nurol Solar	84.223	19.373
- Turser Turizm	13.791	11.797
- Enova Üretim	304	313
Advances reveived from Related Parties (Not 5)	754.464	20.664
Other advances received	453	3.248
	4.839.306	**5.377.314**

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14. Prepaid Expenses and Deferred Income (Continued)

Non-current deferred income	**30.06.2024**	**31.12.2023**
Deferred income		
- Turser Turizm	312	317
Advance received		
- Nurol İnşaat	698.826	209.306
- Nurol Makina	187.156	--
- FNSS	54.163	523.714
Other advances received	--	36.049
	940.457	**769.386**

15. Receivables and Payables from Ongoing Construction and Project Contracts

a) *Receivables from construction contracts*

		30.06.2024		**31.12.2023**	
	%	**Receivables from Construction Contracts**	**Payables Related to Construction Contracts**	**Receivables from Construction Contracts**	**Payables Related to Construction Contracts**
Nurol LLC projects	--	375.072	432.868	837.140	139.660
Silifke Mut Road Project (Nurol İnşaat)	8 9	470.343	375.937	275.898	--
İzmir Çiğli Tram Line (Nurol İnşaat)	9	16.367	121.562	259.867	--
Ümraniye-Ataşehir-Göztepe Metrosu Ümraniye-Ataşehir-Göztepe Subway (Nurol Gülermak Joint Venture)	0 -	785.324	--	188.651	--
The project for the Pet Dry Animal Food Factory (Nurol İnşaat)	5 5	493.012	--	139.002	--
TUSAŞ-B557 Manufacturing and R&D Building (Nurol İnşaat)	3 3	4.110	81.973	114.569	--
TUSAŞ-B1070 Testing Building (Nurol İnşaat))	9 9	2.339	121.816	38.105	--
Yusufeli Group Dam Bridges Construction (Gülsan Nurol Joint Venture)	3	--	55.191	10.170	--
Ordu Highway landslide reclamation supply works (Nurol YDA OZKA Joint Venture)	2 -	16.711	142.361	8.075	--
Republic Asia Region Treatment Plant Construction (Alkataş Nurol Joint Venture	--	8.203	--	--	--
Total		**2.171.481**	**1.331.708**	**1.871.477**	**139.660**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

15. Receivables and Payables from Ongoing Construction and Project Contracts (continued)

b) ***Receivables from project contracts***

FNSS	**30.06.2024**	**31.12.2023**
Ongoing project contract revenue	23.926.397	25.685.425
Expected gain	3.205.756	4.402.176
Less: Loss provision for ongoing project contracts	(2.056.256)	(2.167.648)
Less: Total invoiced progress payment at the end of the period	(18.392.092)	(20.323.058)
Total	**6.683.805**	**7.596.895**

Nurol Makina	**30.06.2024**	**31.12.2023**
Ongoing project contract revenue	13.805.587	17.636.796
Less: Total invoiced progress payment at the end of the period	(11.663.326)	(14.320.766)
Total	**2.142.261**	**3.316.030**

16. Investments

	30.06.2024	**31.12.2023**
Nurol Technology Germany Gmbh	366.893	990
Otoyol Deniz Taşımacılığı A.Ş.	14.468	14.468
Otoyol İşletme ve Bakım A.Ş.	10.933	10.933
Nurol Technology USA, LLC	5.312	5.869
Nurol Makina UK LTD.	3.653	3.433
Binom Highend Mühendislik A.Ş.	3.252	1.559
Bahçeşehir Gaz Dağıtım A.Ş.	954	954
Nurol Constructıon Germany Gmbh	853	--
Enom Elektrikli Araç Sarj Sist.ve E Tic. A.Ş.	722	722
Nurol Grup Elektrik Toptan Satış A.Ş.	254	254
Nurol Construction S.A.	254	254
Nurol Eğitim Kül.ve Spor Vakfı	205	205
Makina Macaristan Şubesi	121	151
Finanscorp P.L.C.	87	87
Nurol Hava Taşımacılığı A.Ş.	6	6
	407.967	**39.885**

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17. Investments Recognized Using the Equity Method

	30.06.2024	31.12.2023
Otoyol Yatırım ve İşletme A.Ş.	33.912.354	36.179.179
FNSS Middle East Co Ltd.	10.078	17.667
	33.922.432	**36.196.846**

As of 30 June 2024, recorded value of Otoyol Yatırım İşletme A.Ş., which has been valued using the equity method and 25.95% (31 December 2023: 25.95%) of the shares are owned by the Group, USD 3.981 thousand (31 December 2023: USD 3.797 thousand) as of 31 December 2024, total equity is TL 33.912 thousand (31 December 2023: TL 36.179 thousand TL).

As of 30 June 2024, and 2023, profit share of investments of the Group recognized using the equity method is TL 4.907.425 thousand and TL 13.287.664 thousand, respectively.

FNSS Savunma Sistemleri A.Ş. a subsidiary of Nurol Holding has invested in the Group located in Saudi Arabia in 2014. FNSS Savunma Sistemleri A.Ş. owns 50% of FNSS Middle East Co. and has been included in the accompanying consolidated financial statements using the equity method.

The necessary documents for the liquidation of FNSS Middle East Co. Ltd, which were discussed and approved at the December 2020 Board of Directors Meeting, are being prepared and the closing procedures are expected to be completed after the financial statements to be prepared by the audit company are submitted to the Law Firm we are working with to apply to the KSA Ministry of Commerce for liquidation.

18. Goodwill

	30.06.2024	31.12.2023
Otoyol Yatırım ve İşletme A.Ş.	236.308	236.308
	236.308	**236.308**

The Group assesses goodwill allocated to cash-generating units for impairment annually or more frequently when there is an indication of impairment as indicated in Note 2.6 The recoverable amount of a cash generating unit is determined by calculating the value in use or fair value less costs to sell calculations.

As specified below in details, no impairment has been identified as of 30 June 2024 and 31 December 2023 as a result of the impairment tests realized on the basis of cash generating units.

Otoyol Yatırım ve İşletme A.Ş.

Goodwill included in the consolidated financial statements as of 30 June 2024 and 31 December 2023 is related to the purchase of shares of Otoyol Yatırım İşletme A.Ş. in 2013. The Group purchased shares of Yüksel İnşaat A.Ş. and Göçay İnşaat Taahhüt ve Ticaret A.Ş. which are investors in Otoyol Yatırım ve İşletme A.Ş. and goodwill in the amount of TL 236.308 thousand has been paid.

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19. Property, Plant and Equipment

a) Other Property, Plant and Equipment

	01.01.2024	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2024
Cost						
Land	507.703	--	--	(105.473)	--	402.230
Land improvements	1.626.197	4.991	--	(253.839)	3.986	1.381.335
Buildings	9.218.099	45.637	(2.485)	(1.716.713)	54.262	7.598.800
Leasehold improvements	82.056	1.240	--	(6.131)	--	77.165
Machinery and equipment	18.619.161	100.566	(120.231)	(3.484.997)	119.833	15.234.332
Motor vehicles	2.474.559	127.806	(9.506)	(517.450)	--	2.075.409
Fixtures and fittings	3.709.977	35.636	(14.094)	(679.227)	--	3.052.292
Other property, plant and equipment	3.886.836	17.754	(34.998)	(1.881.102)	--	1.988.490
Construction in progress	244.631	161.742	(1.085)	(40.094)	(178.081)	187.113
	40.369.219	**495.372**	**(182.399)**	**(8.685.026)**	**--**	**31.997.166**
Accumulated depreciation (-)						
Land improvements	708.495	32.187	--	(145.796)	--	594.886
Buildings	3.571.760	129.783	(131)	(817.614)	--	2.883.798
Leasehold improvements	54.506	4.133	--	(3.475)	--	55.164
Machinery and equipment	9.647.566	351.556	(102.235)	(2.373.670)	--	7.523.217
Motor vehicles	1.271.054	48.023	(5.397)	(326.648)	--	987.032
Fixtures and fittings	2.919.673	75.405	(13.240)	(805.067)	51.844	2.228.615
Other property, plant and equipment	2.901.601	49.100	(34.149)	(1.171.470)	(51.844)	1.693.238
	21.074.655	**690.187**	**(155.152)**	**(5.643.740)**	**--**	**15.965.950**
Net Book Value	**19.294.564**					**16.031.216**

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19. Property, Plant and Equipment (Continued)

a) Other Property, Plant and Equipment (Continued)

	01.01.2023	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2023
Cost						
Land	558.032	--	(675)	6.892	--	564.249
Land improvements	1.798.574	2.587	(54)	(3.291)	8.180	1.805.996
Buildings	10.089.631	53.663	(6.382)	115.998	20.236	10.273.146
Leasehold improvements	84.031	134	--	8.001	--	92.166
Machinery and equipment	19.500.559	260.161	(358.460)	1.026.784	45.666	20.474.710
Motor vehicles	2.630.707	35.165	(15.490)	91.495	--	2.741.877
Fixtures and fittings	3.916.147	101.222	(10.757)	239.059	340	4.246.011
Other property, plant and equipment	3.527.296	47.945	--	484.054	--	4.059.295
Construction in progress	518.467	143.559	(89.428)	(5.805)	(48.121)	518.672
	42.623.444	**644.436**	**(481.246)**	**1.963.187**	**26.301**	**44.776.122**
Accumulated depreciation (-)						
Land improvements	687.361	35.512	(44)	(638)	--	722.191
Buildings	3.401.622	151.377	(78.379)	(3.140)	--	3.471.480
Leasehold improvements	45.682	4.771	--	4.724	--	55.177
Machinery and equipment	8.934.880	390.176	(345.828)	(7.862)	1.262	8.972.628
Motor vehicles	1.266.093	21.390	(12.501)	45.097	--	1.320.079
Fixtures and fittings	2.847.693	116.449	(7.680)	(2.620)	--	2.953.842
Other property, plant and equipment	2.565.807	66.882	--	(48.950)	--	2.583.739
	19.749.138	**786.557**	**(444.432)**	**(13.389)**	**1.262**	**20.079.136**
Net Book Value	**22.874.306**					**24.696.986**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

19. Property, Plant and Equipment (Continued)

b) Mining Assets

	01.01.2024	Additions	Disposals	Foreign currency translation differences	30.06.2024
Acquisition Costs					
Mining development cost (*)	4.297.193	241.127	--	504.030	5.042.350
Mining rehabilitation cost	646.922	--	(22.044)	73.587	698.465
Acquisition of Mining Rights (**)	4.662.140	442.343	--	553.936	5.658.419
	9.606.255	**683.470**	**(22.044)**	**1.131.553**	**11.399.234**
Accumulated Depreciation (-)					
Mining development cost	1.597.884	152.118	--	189.874	1.939.876
Mining rehabilitation cost	245.020	33.536	--	29.517	308.073
Acquisition of mining rights	380.935	43.031	--	45.532	469.498
	2.223.839	**228.685**	**--**	**264.923**	**2.717.447**
Net Book Value	**7.382.416**				**8.681.787**

	01.01.2023	Additions	Disposals	Foreign currency translation differences	30.06.2023
Acquisition Costs					
Mining development cost (*)	2.371.998	152.994	--	950.147	3.475.139
Mining rehabilitation cost	321.647	76.888	--	145.839	544.374
Acquisition of Mining Rights (**)	2.604.133	378.675	--	1.106.927	4.089.735
	5.297.778	**608.557**	**--**	**2.202.913**	**8.109.248**
Accumulated Depreciation (-)					
Mining development cost	868.803	64.618	--	350.613	1.284.034
Mining rehabilitation cost	119.107	15.292	--	50.014	184.413
Acquisition of mining rights	194.039	30.474	--	83.163	307.676
	1.181.949	**110.384**	**--**	**483.790**	**1.776.123**
Net Book Value	**4.115.829**				**6.333.125**

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19. Property, Plant and Equipment (Continued)

b) Mining Assets (continued)

(**) *Mining Rights:*

Tümad Mining has 10 mining licenses in total. Information on licenses is as follows:

License (Registration) Number	Province	County	License Enforcement Date	Essence	Period (years)
86082	Çanakkale	Lapseki	4.09.2009	Operating license	25
90631	Balıkesir	İvrindi	21.01.2014	Operating license	30
17798	Çanakkale	Lapseki	16.12.2019	Operating license	10
27480	Çanakkale	Lapseki	15.11.2019	Operating license	10
79099	Çanakkale	Lapseki	16.12.2019	Operating license	10
69703	Çanakkale	Lapseki	16.12.2019	Operating license	10
88919	Çanakkale	Çan	17.07.2018	Operating license	10
61515	Çanakkale	Merkez	29.05.2019	Operating license	10
68955	Çanakkale	Lapseki	20.01.2020	Operating license	15
202400775	İzmir	Bergama	24.06.2024	Search License	7

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20. Investment Properties

	01.01.2024	**Additions**	**Disposals**	**Foreign currency translation differences**	**30.06.2024**
Cost					
Land					
- Nurol İnşaat	1.896.803	--	(71.722)	--	1.825.081
- Nurol Holding	78.208	--	--	--	78.208
Buildings					
- Nurol İnşaat	5.391.748	--	(24.507)	--	5.367.241
- Georgia Batumi Sheraton Hotel	4.885.269	41.832	(6.496)	(936.285)	3.984.320
- Nurol Holding	14.663	--	--	--	14.663
- Turser Turizm	1.562.664	--	--	--	1.562.664
- Karum Offices	110.990	173	--	--	111.163
	13.940.345	**42.005**	**(102.725)**	**(936.285)**	**12.943.340**
Nurol Gayrimenkul:					
- Nurol Tower	1.073.266	--	--	--	1.073.266
- Oasis Cadde	749.116	--	--	--	749.116
- Nurol Life	1.063.841	--	--	--	1.063.841
- Nurol Plaza	350.130	44	--	--	350.174
- Nurol Residence	261.007	--	--	--	261.007
- Oasis Bodrum	74.772	--	--	--	74.772
- Karum Mall	3.830	--	--	--	3.830
	3.575.962	**44**	**--**	**--**	**3.576.006**
	17.516.307				**16.519.346**
Accumulated depreciation (-)					
Buildings					
- Nurol Holding	4.692	147	--	--	4.839
- Turser Turizm	1.171	35	--	--	1.206
- Karum Offices	54.754	1.354	--	--	56.108
	--	--	--	--	--
	60.617	**1.536**	**--**	**--**	**62.153**
Net Book Value	**17.455.690**				**16.457.193**

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20. Investment Properties (Continued)

	01.01.2023	Additions	Disposals	Foreign currency translation differences	Revaluation differences	Transfer	30.06.2023
Cost							
Land							
- Nurol İnşaat	1.729.930	--	--	--	--	--	1.729.930
- Nurol Holding	78.208	--	--	--	--	--	78.208
Buildings							
- Nurol İnşaat	1.686.447	--	(15.088)	--	--	--	1.671.359
- Georgia Batumi Sheraton Hotel	3.705.104	--	--	(205.470)	--	--	3.499.634
- Nurol Holding	14.662	--	--	--	--	--	14.662
- Turser Turizm	1.544.942	--	--	--	602.924	--	2.147.866
- Karum Offices	110.971	--	--	--	--	--	110.971
- Kuşadası Asena Hotel	11.160	--	(11.160)	--	--	--	--
	8.881.424	**--**	**(26.248)**	**(205.470)**	**602.924**	**--**	**9.252.630**
Nurol Gayrimenkul:							
- Nurol Tower	1.008.252	--	(76.488)	--	--	--	931.764
- Oasis Cadde	776.182	30	--	--	--	--	776.212
- Nurol Life	493.035	3.512	--	--	--	--	496.547
- Nurol Plaza	248.176	498	--	--	--	324	248.998
- Nurol Residence	128.024	7.000	--	--	--	--	135.024
- Oasis Bodrum	60.964	--	--	--	--	--	60.964
- Karum Mall	2.980	--	--	--	--	--	2.980
	2.717.613	**11.040**	**(76.488)**	**--**	**--**	**324**	**2.652.489**
	11.599.037						**11.905.119**
Accumulated depreciation (-)							
Buildings							
- Nurol Holding	4.401	145	--	--	--	--	4.546
- Turser Turizm	1.119	34	--	--	--	--	1.153
- Karum Offices	50.469	1.307	--	--	--	--	51.776
- Kuşadası Asena Hotel	2.767	--	(2.767)	--	--	--	--
	58.756	**1.486**	**(2.767)**	**--**	**--**	**--**	**57.475**
Net Book Value	**11.540.281**						**11.847.644**

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21. Depreciation and Amortization

	30.06.2024	**30.06.2023**
Property, plant and equipment (Note 19)	690.187	786.557
Investment properties (Note 20)	1.536	1.486
Intangible assets (Note 22)	115.659	154.357
Mining assets depreciation (Note 19)	228.685	110.384
	1.036.067	**1.052.784**

The distribution of depreciation and amortization charges is as follows

	01.01-30.06.2024	**01.01-30.06.2023**
Production costs	599.824	501.428
Cost of services	217.808	262.691
General administrative expenses	136.538	211.541
Marketing, selling and distribution expenses	25.230	26.316
Research and development expenses	56.667	50.808
	1.036.067	**1.052.784**

22. Intangible Assets

	01.01.2024	**Additions**	**Foreign currency translation differences**	**30.06.2024**
Cost				
Rights	1.380.157	46.978	(54.569)	1.372.566
Energy licenses (*)	1.737.990	--	--	1.737.990
Establishment expenses	959	--	--	959
Other development expenses (**)	2.029.887	131.578	(210.065)	1.951.400
Other intangible assets	827	--	(237)	590
	5.149.820	**178.556**	**(264.871)**	**5.063.505**
Accumulated amortization (-)				
Rights	856.095	46.495	(105.728)	796.862
Energy licenses (*)	472.005	20.273	--	492.278
Establishment expenses	959	--	(117)	842
Other development expenses (**)	717.952	48.830	(19.891)	746.891
Other intangible assets	511	61	(63)	509
	2.047.522	**115.659**	**(125.799)**	**2.037.382**
Net Book Value	**3.102.298**			**3.026.123**

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22. Intangible Assets (Continued)

	01.01.2023	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2023
Cost						
Rights	1.260.590	65.764	(48)	90.582	(26.625)	1.390.263
Energy licenses (*)	1.793.147	--		--	--	1.793.147
Establishment expenses	961	--	--	2	--	963
Other development expenses(**)	1.653.485	144.301	6	294.876		2.092.668
Other intangible assets	460	34	--		--	494
	4.708.643	**210.099**	**(42)**	**385.460**	**(26.625)**	**5.277.535**
Accumulated amortization (-)						
Rights	769.759	71.054	(47)	84.046	(1.262)	923.550
Energy licenses	440.701	21.008	--	--		461.709
Establishment expenses	961	--	--	2		963
Other development expenses	605.898	62.261	--	106.799	--	774.958
Other intangible assets	460	34	--	--		494
	1.817.779	**154.357**	**(47)**	**190.847**	**(1.262)**	**2.161.674**
Net Book Value	**2.890.864**					**3.115.861**

22. Intangible Assets (Continued)

(*) *Energy Licenses:*

In 2013, the Group purchased the operating rights of Göksu Hydroelectric Power Plant through the privatization costing (USD 52.500 thousand) for 49 years. Göksu Hydroelectric Power Plant has a production license in the amount of TL 492.000 and was established in the province of Konya.

The Group established Enova Enerji Üretim A.Ş. with the joint venture of Özaltın Group for the purpose of energy production and sales in 2003. Enova Enerji Üretim A.Ş. owns the production license, which is related to production facility, dated 21 December 2006, amounting to TL 22.860 and obtained from EMRA.

(**) *Development Expenses*

Research and development center application of Nurol Makina has been approved by the Ministry of Science, Industry and Technology and has begun operations in the Sincan Branch as of 01 August 2015; the final annual report was submitted to the Ministry of Industry and Technology in April 2018. With regards to the letter obtained from the Ministry and Technology dated 30 November 2018, the Company continues to benefit from the incentives and exemptions provided to research and development centers under Law No. 5746.

Development expenses are comprised of armor recycling projects, armor modulation projects, personnel protection armor development projects, vehicle and structure armor development projects of Nurol Teknoloji.

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23. Provisions, Contingent Assets and Liabilities

Current provisions	**30.06.2024**	**31.12.2023**
Project penalty provision	793.250	932.734
Provision for litigation	530.566	748.772
Warranty expense provision	158.150	161.952
Insurance premium provisions	87.269	77.020
Other bank provisions	37.800	65.617
Provisions for non-cash loans (Nurolbank)	16.632	48.333
Cost expense provision	5.890	4.226
Other	17.863	21.678
	1.647.420	**2.060.332**

Non-current provisions	**30.06.2024**	**31.12.2023**
Rehabilitation provision (*)	680.959	786.736
Other	6.918	6.121
	687.877	**792.857**

(*) The rehabilitation provision for the mining sites includes the Company's current values. The proportion of the future liabilities that will arise regarding the reinstatement of the nature separated from the mining sites, the production capacity, the duration stipulated in the mining areas, the validity of the mine operating licenses, the feasibility studies consist of the inputs used in the calculation of the rehabilitation provisions.

	30.06.2024	**31.12.2023**
Legal cases in favour of the Group	381.689	564.580
Legal cases against the Group	585.614	820.232

As of 30 June 2024, the total amount of pending lawsuits against the Group is approximately TL 585.614 thousand (31 December 2023: TL 820.232 thousand). As of 30 June 2024, the Group has set aside a provision of TL 530.566 thousand (31 December 2023: TL 748.772 thousand) for those who have the risk of litigation, according to the opinion of its legal counsel.

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23. Provisions, Contingent Assets and Liabilities (Continued))

The letters of guarantee, checks and notes received by the Group are as follows:

	30.06.2024		**31.12.2023**	
	Original Currency	**TL Equivalent**	**Original Currency**	**TL Equivalent**
Letters of guarantee received				
- TL	816.963	816.963	493.584	493.584
- USD	26.306	863.540	6.359	187.189
- EUR	47.826	1.680.044	9.177	298.918
	--	--		
Cheques and notes received			--	--
- TL	21	21	21	21
-USD	3	90	3	80
		3.360.658		**979.792**

As of 31 June 2024 and 31 December 2023, the tables regarding the Group's collateral/pledge/mortgage ("CPM") position are as follows:

		30.06.2024	**31.12.2023**
A	CPM's given in the name of own legal personality	36.027.867	26.475.378
B	CPM's given on behalf of the fully consolidated companies	19.888.956	18.978.219
C	CPM's given on behalf of third parties for ordinary course of business	--	--
D	Total amount of other CPM's given	--	--
	i. Total amount of CPM's given on behalf of the majority shareholder	--	--
	ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	--	--
	iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	--	--
		55.916.823	**45.453.597**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

23. Provisions, Contingent Assets and Liabilities (Continued)

			Original Amount				30.06.2024
	TL	**USD**	**EUR**	**DZD**	**RON**	**GBP**	**TL Equivalent**
Letter of guarantee	3.119.849	205.495	252.810	986.108	423.483	1.150	22.006.705
Mortgages	3.045.303	56.750	33.000	--	--	--	6.067.427
Suretyship	--	242.298	--	--	--	--	7.953.735
	6.165.152	**504.543**	**285.810**	**986.108**	**423.483**	**1.150**	**36.027.867**

			Original Amount				31.12.2023
	TL	**USD**	**EUR**	**DZD**	**RON**	**GBP**	**TL Equivalent**
Letter of guarantee	2.914.853	153.704	116.179	953.131	110.343	700	12.178.054
Mortgages	3.207.200	56.750	63.000	--	--	--	6.929.974
Suretyship	--	250.265	--	--	--	--	7.367.350
	6.122.053	**460.719**	**179.179**	**953.131**	**110.343**	**700**	**26.475.378**

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23. Provisions, Contingent Assets and Liabilities (Continued)

Shares of Enova Enerji's shareholders were pledged in favour of TSKB and Akbank at a price of USD 150.000 thousand on a first-degree guarantee.

Enova Enerji's receivables from electricity sales contracts of Ceyhan HEPP facility after beginning its operations were mortgaged in favour of TSKB and Akbank in the amount of USD 99.000 thousand.

Enova Enerji declared and committed, during the investment period in three years after actual import and instalment of HEPP and equipment, TL equivalent of USD 99.000 thousand distribution pledge of assets, pro rata payment to TSKB and Akbank.

Electricity sales revenues and receivables of Nurol Göksu Elektrik Üretim A.Ş. has been assigned in favour of Nonpositive.

As a guarantee for the loan used by Nurol Göksu Elektrik Üretim A.Ş., the relevant accounts have been pledged in favour of Bankpozitif.

The shares of Nurol Göksu Elektrik Üretim A.Ş. have been pledged in favour of Bankpozitif.

24. Employee Benefits

a) Liabilities for employee benefits

	30.06.2024	**31.12.2023**
Due to personnel	254.971	68.800
Social security premiums payable	92.742	138.848
	347.713	**207.648**

b) Provisions for employee benefits

	30.06.2024	**31.12.2023**
Current provisions	231.718	241.167
Non-current provisions	360.213	336.742
	591.931	**577.909**

b.1) Current provisions for employee benefits

	30.06.2024	**31.12.2023**
Unused vacation provision	231.718	241.167
	231.718	**241.167**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

24. *Employee Benefits (Continued)*

b.2) Non-current provisions for employee benefits

	30.06.2024	31.12.2023
Provision for employee termination benefits	360.213	336.742
	360.213	**336.742**

Provision for employee termination benefits

According to the Turkish Labor Law, the company is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life, whose employment relationship is terminated, who is called for military service or who dies.

As of 30 June 2024, the maximum severance pay cap payable per year of service is TL 41.828,42 per month (as of 31 December 2023: TL 35.058,58 TL). Effective 1 July 2024, the severance pay cap has been increased to TL 41.828,42 per month.

Severance pay liability is not legally subject to any funding.

Severance pay liability is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires the Company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans.

The actuarial assumptions used in calculating the present value of liabilities are as follows:

	30.06.2024	31.12.2023
Interest rate	%25,05	%25,05
Inflation rate	%21,41	%21,41

25. Other Assets and Liabilities

Other Assets and Liabilities	30.06.2024	31.12.2023
Advances given to subcontractors (*)	1.734.610	1.103.467
VAT carried forward	782.780	1.098.736
Receivables from tax administration	194.608	333.282
Advances given for business purposes	98.105	27.891
Accrued income	34.853	19.260
Other	74.465	26.183
	2.919.421	**2.608.819**

(*) TL 535.474 of advances given to subcontractors consists of the advances given to the subcontractors of Nurol İnşaat and TL ve 1.199.136 to the subcontractors of Tümad Madencilik.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

25. Other Assets and Liabilities (Continued)

Other current liabilities	**30.06.2024**	**31.12.2023**
Receivables from the tax office	234.939	586.443
	234.939	**586.443**

Other current liabilities	**30.06.2024**	**31.12.2023**
Taxes and funds payable	711.476	900.797
Other (*)	1.185.818	851.216
	1.897.294	**1.752.013**

(*) TL 1.155.108 thousand of the other current liabilities consists of the State rights of Tümad Madencilik. Pursuant to Article 3 of the Mining Law No. 3212 and Article 4 of the Mining Application Law, companies holding a mining license have to pay the State's dues.

Other non-current liabilities	**30.06.2024**	**31.12.2023**
Nurol İnşaat Algeria Branch	88	87
	88	**87**

26. Equity

a. *Share Capital*

As of June 30, 2024, and December 31, 2023, the shareholding structure of Nurol Holding is as follows::

	Share Rate (%)	**30.06.2024**	**31.12.2023**
Nurettin Çarmıklı	33,31	258.455	258.455
Figen Çarmıklı	33,31	258.455	258.455
M. Oğuz Çarmıklı	33,31	258.455	258.455
Other	<1	635	635
Paid-in Capital	**100**	**776.000**	**776.000**
Share capital adjustment		12.211.548	12.211.548
Indexed Paid-in capital	**100**	**12.987.548**	**12.987.548**

The issued share capital of Nurol Holding is comprised of 776.000 shares of par value TL 1 each.

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26. Equity (Continued)

b. Other Comprehensive Income/ (Expense) Not to be Reclassified to Profit or Loss

	30.06.2024	**31.12.2023**
Fixed assets revaluation fund	4.053.103	4.040.312
Actuarial gains/ losses	(143.127)	(109.034)
	3.909.976	**3.931.278**

Provision for employee termination benefits actuarial gain / (loss) funds

The amendment in IAS 19 "Employee Benefits" does not permit the actuarial gain /loss considered in the calculation of provision for employee termination benefits to be accounted for under the statement of income. The gains and losses arising from the changes in the actuarial assumption have been accounted for by "Revaluation Funds" under the equity. The funds for actuarial gains / (losses) in the employee termination benefits is not in a position to be reclassified under profit and loss.

c. Comprehensive Income/ (Expense) to be Reclassified to Profit or Loss

	30.06.2024	**31.12.2023**
Foreign currency translation differences	12.777.634	13.641.737
Revaluation of financial assets available for sale	32.303	177.561
Cash flow hedge losses	(1.454.673)	(1.067.699)
	11.355.264	**12.751.599**

d) Restricted Reserves

	30.06.2024	**31.12.2023**
Legal reserves	1.253.964	1.465.890
Extraordinary reserves	28	28
	1.253.992	**1.465.918**

Retained earnings in the statutory financial statements can be distributed as dividends other than judgments related to legal reserves described below.

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Group's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Group's share capital. The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than those legal reserves cannot be used.

"Legal Reserves", "Share Premiums" in the legal reserve status and legal reserves allocated for specific purposes (participation sales revenue allocated to obtain tax advantage) other than profit distribution allocated within the framework of the related Clause of Turkish Commercial Code are reflected as their recorded amounts. Within this scope, differences arising in the evaluations made within the framework of IFRS principles and inflation adjustments not subject to profit distribution or capital increase as by the report date are related with previous year's profits/losses.

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

26. Equity (Continued)

e) Non-Controlling Interest

Shares attributable to third parties in the shareholders' equity (including approved and paid-in capital) of the consolidated subsidiaries, which are not fully owned, are separately accounted for as non-controlling interest in the consolidated financial statements by reducing from related shareholders' equity components. Shares attributable to third parties in the net profit or loss for the periods of the consolidated subsidiaries, which are not fully owned, are separately accounted for as non-controlling interests, in the distribution of period profit / (loss) section of the consolidated statement of income. As of 30 June 2024 and 31 December 2023 movements of non-controlling interest is as follows:

01.01.2023 Minority interest	**3.044.309**
Capital change	62.710
Minority share of other prior year profit / (loss) adjustments	(741.758)
Minority share of profit / (loss) for the period	(835.316)
30.06.2023 Minority interest	**1.529.945**
01.01.2024 Minority interest	**1.641.300**
Capital change	13.167
Minority share of other prior year profit / (loss) adjustments	221.159
Minority share of profit / (loss) for the period	(607.093)
30.06.2024 Minority interest	**1.268.533**

27. Revenue and Cost of Sales

	01.01-30.06.2024	**01.01-30.06.2023**
Domestic sales	15.996.700	14.382.035
Export sales	2.552.850	6.960.540
Sales discount (-)	(2.552)	(6.792)
Revenue	**18.546.998**	**21.335.783**
Cost of sales (-)	**(13.087.781)**	**(15.028.467)**
Gross profit from trading activities	**5.459.217**	**6.307.316**
Gross profit from trading activities	5.293.929	4.325.664
Gross profit from trading activities	(3.436.614)	(1.576.847)
Gross profit from financial sector activities	**1.857.315**	**2.748.817**
Gross profit	**7.316.532**	**9.056.133**

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28. Expenses by Nature

	01.01-30.06.2024	01.01-30.06.2023
General administrative expenses	1.817.704	1.694.860
Marketing, selling and distribution expenses	419.493	203.864
Research and development expenses	221.872	210.838
	2.459.069	**2.109.562**

29. Other Operating Income and Expense

Other income from operating activities	01.01-30.06.2024	01.01-30.06.2023
Nurol Investment Bank other income	162.370	215.075
Insurance income	19.984	34
Incentive income	18.269	2.706
Other income (Nurol GYO)	14.620	87.195
Other income (Turser)	14.619	14.438
Other income (Nurol Makina)	11.851	6.117
Other income (Tümad)	9.176	10.129
Scrap, raw material and material sales income	7.891	8.697
Other income (FNSS)	6.633	18.759
Rediscount income	4.225	6.812
Unwind of provisions	2.544	32.058
Nurol Dubai LLC insurance income	2.082	44.849
Commission income	423	1.932
Other	31.969	57.632
	306.656	**506.433**

Other expense from operating activities	01.01-30.06.2024	01.01-30.06.2023
Provision expense	(371.620)	(90.566)
Restructuring of certain receivables Law no 7440	(67.797)	(1.344.924)
Nurol Investment Bank other expense	(49.106)	(32.816)
Expenses from forward transactions (Makina -FNSS)	(30.466)	(5.005)
Tümad other expense	(25.258)	(38.661)
Insurance expense	(17.103)	--
Severance pay interest expense	(10.994)	(10.826)
Rediscount expenses	(10.671)	(6.651)
Other expense (Nurol Makina)	(3.731)	(97.359)
Other expense (FNSS)	(2.819)	(12.197)
Other expense (Nurol Tekonoloji)	(1.243)	(34.858)
Other expense (Nurol GYO)	(1.222)	(1.611)
Donations and grants	--	(122.987)
Other	(68.604)	(76.325)
	(660.634)	**(1.874.786)**

(*) As of 30 June 2024, the amount of TL 335,128 included in the Group's provision expenses consists of Nurol Investment Bank's litigation provisions.

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30. Income and Expenses from Investment Activities

Income from investing activities	**01.01-30.06.2024**	**01.01-30.06.2023**
Dividend income	231.615	97.265
Rent income	70.931	19.222
Profit on sales of property, plant and equipment	28.108	19.528
Investment properties revaluation increase	8.384	646.180
Currency protected deposits income	4.393	314
Profit on sales of securities	2.577	6.450
	346.008	**788.959**

Expenses from investing activities	**01.01-30.06.2024**	**01.01-30.06.2023**
Loss on sales of property, plant and equipment	(14.033)	(77)
Loss on sales of securities	(11.550)	(51.652)
Investment properties revaluation decrease	--	(757.739)
	(25.583)	**(809.468)**

31. Financial Income and Expense

Financial income	**01.01-30.06.2024**	**01.01-30.06.2023**
Foreign exchange income	1.897.983	3.742.946
Interest income	400.542	76.230
Fair value gains of derivative financial instruments	1.105	6.902
	2.299.630	**3.826.078**

Financial expense	**01.01-30.06.2024**	**01.01-30.06.2023**
Foreign exchange expenses	(5.325.460)	(9.648.934)
Interest expenses	(3.322.117)	(5.537.281)
Bond interest expense	(577.879)	(113.620)
Fair value losses of derivative financial instruments	(437.619)	(237.401)
Bank commission expenses	(179.433)	(196.956)
Letter of guarantee expenses	(42.752)	(56.255)
Factoring expenses	(8.609)	(6.216)
	(9.893.869)	**(15.796.663)**

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32. Taxes on Income (Including Deferred Tax Assets and Liabilities

The Group is subject to the tax legislation and practices in force in Turkey

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as a deduction in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid, and all or part of the profit is dividends;

- To real people
- Natural and legal persons who are exempt or exempt from Income and Corporate Tax,
- Limited taxpayer real and legal persons,

In case of distribution, 10% Income Tax Withholding is calculated. The addition of the period profit to the capital is not considered as profit distribution and no withholding tax is applied.

Corporations calculate a 23% temporary tax on their quarterly financial profits and declare it until the 17th day of the second month following that period and pay it until the evening of the 17th day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year.

75% of the profits arising from the sale of participation shares, which are in the assets of the corporations for at least two full years, and 50% of the gains from the sale of the immovables that are in the assets for the same period of time, are exempt from tax, provided that they are added to the capital as stipulated in the Corporate Tax Law.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses cannot be offsite from last year's profits. There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the last day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

With Law No. 7394 on the Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, published in the Official Gazette dated 15 April 2022 and numbered 31810, and the Law No. With the paragraph added to the temporary article 13 of the Corporate Tax Law, the Corporate Tax rate will be applied as 25% for the corporate earnings for the 2023 taxation period.

As of 30 June 2024 and 31 December 2023, the tax liabilities included in the financial statements are as follows:

Tax provision in the statement of the financial position	**30.06.2024**	**31.12.2023**
Current tax provision	411.065	553.849
	411.065	**553.849**

As of 30 June 2024 and 2023, the tax liabilities included in the statement of profit or loss are as follows:

Tax provision in the statement of profit or loss	**01.01-30.06.2024**	**01.01-30.06.2023**
Provision for corporate tax for current period	(839.417)	(1.295.176)
Deferred tax income / (expense)	1.205.608	(4.976.638)
	366.191	**(6.271.814)**

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32. Taxes on Income (Including Deferred Tax Assets and Liabilities (Continued)

As of 30 June 2024, and 31 December, 2023, the assets and liabilities related to the current period tax are as follow:

Current	**30.06.2024**	**31.12.2023**
Prepaid taxes (-) (*)	339.825	104.581
	339.825	**104.581**

(*) According to Turkish Tax Laws companies must make advance payments of corporation tax. Prepaid taxes are computed on the quarterly taxable profits reported at the rate of 25% (2023: 25%). This prepaid corporation tax can be recovered by deduction from future corporation tax liabilities. Recovery by deduction from other taxes is also possible.

Non-current	**30.06.2024**	**31.12.2023**
Prepaid taxes (-) (**)	954.683	312.682
	954.683	**312.682**

(**) With the Presidential Decree dated 03 February 2021 and numbered 3491 published in the Official Gazette dated 04 February 2021, the withholding tax rate applied to progress payments made to those engaged in construction and repair works spread over more than one calendar year has been increased from 3% to 5%.

Deferred Tax

The Group calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences between the legal financial statements of the balance sheet items as a result of different evaluations. These temporary differences generally result from the recognition of income and expenses in different reporting periods in accordance with the communiqué and tax laws.

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32. Taxes on Income (Including Deferred Tax Assets and Liabilities (Continued)

Deferred Tax (Continued)

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

Cumulative temporary differences	**30.06.2024**	**31.12.2023**
Tangible and intangible assets adjustment	10.428.948	6.582.744
Ongoing constructions, net	6.458.356	3.380.372
Inventory functional currency conversion variances and adjustments related to project contracts	5.393.996	4.243.320
Research and development incentive discount carried forward	4.633.180	5.471.932
Other	4.040.144	2.165.308
Taxable financial losses	2.253.996	2.871.504
Derivative financial instruments, net	1.947.520	1.137.212
Ar-Ge discounts	1.216.308	1.103.836
Provisions for litigation	615.460	846.924
Investment incentives	611.044	728.316
Written off assets	575.856	560.284
Provisions for employee benefits	495.540	267.720
Rehabilitation provision	308.072	305.624
Adjustments related to financial investments	131.172	(97.960)
Unused vacation provision	105.808	94.328
Expected credit loss	80.452	55.568
Net difference between carrying value and tax value of inventories	51.748	31.268
Presentation currency conversion variances	50.356	1.679.456
Adjustments related to goodwill	46.860	(92.892)
Provisions for warranty and installation expenses	16.624	14.484
Adjustments related to staff advances	12.280	15.632
Adjustments related to unaccrued finance income/expenses	11.716	7.464
Accrued income	728	(4.220)
Trade, other receivables, and customer receivables and liabilities related to project and contracts	420	(6.362.208)
Exchange rate differences, net	--	(7.964)
Adjustments related to deferred income	--	(1.005.512)
Adjustments related to loan interest accruals	(3.904)	(81.104)
Doubtful debt provision	(51.636)	21.256
Tangible and intangible assets revaluation	(111.164)	(110.968)
Depreciation adjustment	(947.892)	1.661.964
Valuation of investment properties	(5.520.580)	(9.205.184)
Contractual obligations	(10.771.960)	853.664
	22.079.448	**17.132.168**

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32. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Deferred tax assets / (liabilities)	**30.06.2024**	**31.12.2023**
Tangible and intangible assets adjustment	2.607.237	1.645.686
Ongoing constructions, net	1.614.589	845.093
Inventory functional currency conversion variances and adjustments related to project contracts	1.348.499	1.060.830
Research and development incentive discount carried forward	1.158.295	1.367.983
Other	1.010.036	541.327
Taxable financial losses	563.499	717.876
Derivative financial instruments, net	486.880	284.303
Ar-Ge discounts	304.077	275.959
Provisions for litigation	153.865	211.731
Investment incentives	152.761	182.079
Written off assets	143.964	140.071
Provisions for employee benefits	123.885	66.930
Rehabilitation provision	77.018	76.406
Adjustments related to financial investments	32.793	(24.490)
Unused vacation provision	26.452	23.582
Expected credit loss	20.113	13.892
Net difference between carrying value and tax value of inventories	12.937	7.817
Presentation currency conversion variances	12.589	419.864
Adjustments related to goodwill	11.715	(23.223)
Provisions for warranty and installation expenses	4.156	3.621
Adjustments related to staff advances	3.070	3.908
Adjustments related to unaccrued finance income/expenses	2.929	1.866
Accrued income	182	(1.055)
Trade, other receivables, and customer receivables and liabilities related to project and contracts	105	(1.590.552)
Exchange rate differences, net	--	(1.991)
Adjustments related to deferred income	--	(251.378)
Adjustments related to loan interest accruals	(976)	(20.276)
Doubtful debt provision	(12.909)	5.314
Tangible and intangible assets revaluation	(27.791)	(27.742)
Depreciation adjustment	(236.973)	415.491
Valuation of investment properties	(1.380.145)	(2.301.296)
Contractual obligations	(2.692.990)	213.416
Deferred tax assets / (liabilities), net	**5.519.862**	**4.283.042**

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33. Earnings per Share

Earnings per share is calculated by dividing the net profit for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Earnings Per Share	**01.01-30.06.2024**	**01.01-30.06.2023**
Loss for the period	(1.321.975)	(676.990)
Loss attributable to non-controlling interest	(607.093)	(835.312)
Profit attributable to equity holders of the parent	**(714.882)**	**158.322**
Weighted average number of shares with nominal value	776.000	776.000
Earnings per share	**(2,4859)**	**(1,9488)**

34. The Nature and Level of Risks Arising from Financial Instruments

The main financial instruments of the Group consist of bank loans, cash and short-term deposits. The main purpose of these financial instruments is to finance the Group's operating activities.

a) Capital Risk Management

The Group monitors capital using the net financial debt to capital employed ratio. This ratio is found by dividing the financial debt used by the capital. Net financial debt is calculated by deducting cash and cash equivalents from the total debt amount. Capital employed is calculated as equity plus net financial debt as shown in the balance sheet

	30.06.2024	**31.12.2023**
Total financial liabilities	55.594.220	56.989.654
Less: cash and cash equivalents	(12.002.572)	(13.206.184)
Net financial debt	**43.591.648**	**43.783.470**
Total equity	56.331.973	60.519.580
Less: revaluation of tangible fixed assets	(4.053.103)	(4.040.312)
Total financing used	**95.870.518**	**100.262.738**
Net financial debt / Total financing used	**%45**	**%44**

b) Financial Risk Factors

The Group's principal financial instruments are cash, short-term time deposits and bank borrowings. The main purpose of the use of these financial instruments is to raise finance for the Group's operations and to hedge interest rate risk. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk, interest rate risk and credit risk.

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34. The Nature and Level of Risks Arising from Financial Instruments (Continued)

b) Financial Risk Factors (continued)

b.1) Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets. Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

b.2) Market Risk

The Group is exposed to financial risks arising from changes in currency rate, interest rate and price risk which arise directly from its operations. The market risks that the Group is exposed to are measured on the basis of sensitivity analysis. When compared to prior periods, there has been no change in the Group's exposure to market risks, hedging methods used, or the measurement methods used for such risks.

b.2.1) Foreign Currency Risk

The Group is exposed to foreign currency risk arising from the translation of foreign currency denominated assets and liabilities to TL. The Group is also exposed to foreign currency risk due to the transactions made in foreign currency. This risk occurs due to purchases, sales and bank borrowings of the Group which are denominated in currencies other than the functional currency.

	30.06.2024	**31.12.2023**
Foreign currency assets	25.160.190	21.098.223
Foreign currency liabilities	(99.544.208)	(47.747.140)
Net foreign currency position	**(74.384.018)**	**(26.648.917)**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

34. The Nature and Level of Risks Arising from Financial Instruments (Continued)

The Group's foreign currency position in terms of the original currency is as follows:

30.06.2024	USD	EUR	GBP	RUB	DZD	AED	RON	GEL	PLN	Other currencies TL equivalent	TL Equivalent
1. Trade receivables	8.603	507.332	--	--	3.364.663	84.774	30.858	760	--	(20.912)	19.883.794
2a. Monetary financial assets, (cash and banks)	15.776	14.519	345	187	817.098	208.397	8.370	2.625	--	1.566	3.184.951
2b. Non-monetary financial assets	2.277	1.849	--	--	--	--	--	--	--	--	139.711
3. Other	1.799	35.018	--	--	420.981	--	10.578	--	--	8.633	1.474.855
4. Current assets (1+2+3)	**28.455**	**558.718**	**345**	**187**	**4.602.742**	**293.171**	**49.806**	**3.385**	**--**	**(10.714)**	**24.683.311**
5. Trade receivables	--	--	--	--	--	--	--	--	--	--	--
6a. Monetary financial assets	10.016	--	--	--	--	--	--	--	--	--	328.773
6b. Non-monetary financial assets	--	--	--	--	--	--	--	--	--	--	--
7. Other	54	4.144	--	--	3.209	--	--	--	--	--	148.105
8. Non-current assets (5+6+7)	**10.069**	**4.144**	**--**	**--**	**3.209**	**--**	**--**	**--**	**--**	**--**	**476.879**
9. Total assets (4+8)	**38.524**	**562.861**	**345**	**187**	**4.605.951**	**293.171**	**49.806**	**3.385**	**--**	**(10.714)**	**25.160.190**
10. Trade payables	17.132	1.065.446	1.096	--	1.496.627	139.347	211.330	6.957	--	(1.182)	41.202.645
11. Financial liabilities	50.331	360.763	--	--	--	--	--	--	--	--	14.325.176
12a. Other monetary liabilities	17.438	(43.935)	965	--	--	--	--	--	40	(1.146)	(926.018)
12b. Other non-monetary liabilities	1.084	1.086	--	--	289.945	--	--	--	--	--	144.551
13. Current liabilities (10+11+12)	**85.985**	**1.383.360**	**2.062**	**--**	**1.786.572**	**139.347**	**211.330**	**6.957**	**40**	**(2.328)**	**54.746.353**
14. Trade payables	75.871	671.536	--	--	--	--	--	--	--	--	26.080.517
15. Financial liabilities	381.992	139.469	--	--	--	86.394	--	30.122	--	--	18.559.919
16a. Other monetary liabilities	4.587	--	--	--	--	--	--	--	--	--	150.568
16b. Other non-monetary liabilities	206	--	--	--	361	--	--	--	--	--	6.850
17. Non-current liabilities (14+15+16)	**462.656**	**811.005**	**--**	**--**	**361**	**86.394**	**--**	**30.122**	**--**	**--**	**44.797.854**
18. Total liabilities (13+17)	**548.641**	**2.194.365**	**2.062**	**--**	**1.786.933**	**225.741**	**211.330**	**37.079**	**40**	**(2.328)**	**99.544.208**
19. Net assets of off-balance sheet derivative items	--	--	--	--	--	--	--	--	--	--	--
19a. Total amount of assets hedged	--	--	--	--	--	--	--	--	--	--	--
19b. Total amount of liabilities hedged	--	--	--	--	--	--	--	--	--	--	--
20. Net foreign assets / (liability) position	**(510.116)**	**(1.631.504)**	**(1.716)**	**187**	**2.819.018**	**67.430**	**(161.524)**	**(33.694)**	**(40)**	**(8.386)**	**(74.384.018)**
21.Net foreign currency asset / (liability) position(=1+2a+5+6a-10-11-12a-14-15-16a)	**(512.956)**	**(1.671.428)**	**(1.716)**	**187**	**2.685.134**	**67.430**	**(172.102)**	**(33.694)**	**(40)**	**(17.019)**	**(75.995.288)**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

34. The Nature and Level of Risks Arising from Financial Instruments (Continued)

31.12.2023	**USD**	**EUR**	**GBP**	**RUB**	**DZD**	**AED**	**RON**	**GEL**	**PLN**	**Other currencies TL equivalent**	**TL Equivalent**	**Indexed TL Equivalent**
1. Trade receivables	113.024	127.175	--	--	7.998.506	55.025	13.926	776	--	--	9.764.373	12.179.551
2a. Monetary financial assets, (cash and banks)	44.867	25.258	7	187	228.732	33.763	5.233	4.079	2	122.462	2.664.488	3.323.538
2b. Non-monetary financial assets	--	6	--	--	--	--	--	--	--	--	195	243
3. Other	139.173	76.175	--	--	13.171	206.156	619	--	--	5.517	8.233.886	10.270.504
4. Current assets (1+2+3)	**297.064**	**228.614**	**7**	**187**	**8.240.409**	**294.944**	**19.778**	**4.855**	**2**	**127.979**	**20.662.942**	**25.773.836**
5. Trade receivables	114	--	--	--	--	--	--	--	--	--	3.355	4.185
6a. Monetary financial assets	10.059	--	--	--	--	--	--	--	--	--	296.120	369.364
6b. Non-monetary financial assets	--	--	--	--	--	--	--	--	--	--	--	--
7. Other	4	4.144	--	--	3.209	--	--	--	--	--	135.806	169.397
8. Non-current assets (5+6+7)	**10.177**	**4.144**	**--**	**--**	**3.209**	**--**	**--**	**--**	**--**	**--**	**435.281**	**542.946**
9. Total assets (4+8)	**307.241**	**232.758**	**7**	**187**	**8.243.618**	**294.944**	**19.778**	**4.855**	**2**	**127.979**	**21.098.223**	**26.316.782**
10. Trade payables	129.127	85.638	11	--	2.231.007	157.777	15.466	2.008	--	405.216	8.866.737	11.059.888
11. Financial liabilities	64.781	65.960	--	--	--	48.256	--	--	--	--	4.440.238	5.538.513
12a. Other monetary liabilities	123.708	360.463	--	--	289.945	--	--	--	--	82.616	15.529.744	19.370.962
12b. Other non-monetary liabilities	--	--	--	--	--	--	--	--	--	--	--	--
13. Current liabilities (10+11+12)	**317.617**	**512.061**	**11**	**--**	**2.520.952**	**206.033**	**15.466**	**2.008**	**--**	**487.832**	**28.836.721**	**35.969.365**
14. Trade payables	88.854	25.811	--	--	--	--	--	--	--	18.135	3.474.624	4.334.058
15. Financial liabilities	298.070	166.776	--	--	--	89.280	--	30.125	--	--	15.249.010	19.020.790
16a. Other monetary liabilities	5.624	649	--	--	--	--	--	--	--	--	186.716	232.899
16b. Other non-monetary liabilities	--	--	--	--	321	--	--	--	--	--	71	89
17. Non-current liabilities (14+15+16)	**392.548**	**193.237**	**--**	**--**	**321**	**89.280**	**--**	**30.125**	**--**	**18.135**	**18.910.420**	**23.587.835**
18. Total liabilities (13+17)	**710.165**	**705.298**	**11**	**--**	**2.521.273**	**295.313**	**15.466**	**32.133**	**--**	**505.967**	**47.747.140**	**59.557.199**
19. Net assets of off-balance sheet derivative items	--	--	--	--	--	--	--	--	--	--	--	--
19a. Total amount of assets hedged	--	--	--	--	--	--	--	--	--	--	--	--
19b. Total amount of liabilities hedged	--	--	--	--	--	--	--	--	--	--	--	--
20. Net foreign assets / (liability) position	**(402.924)**	**(472.540)**	**(4)**	**187**	**5.722.345**	**(369)**	**4.312**	**(27.278)**	**2**	**(377.988)**	**(26.648.917)**	**(33.240.417)**
21.Net foreign currency asset / (liability) position(=1+2a+5+6a-10-11-12a-14-15-16a)	**(542.101)**	**(552.865)**	**(4)**	**187**	**5.706.286**	**(206.525)**	**3.693**	**(27.278)**	**2**	**(383.505)**	**(35.018.733)**	**(43.680.473)**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

34. The Nature and Level of Risks Arising from Financial Instruments (Continued)

b) Financial Risk Factors (continued))

b.2) Market Risk (continued)

b.2.1) Foreign Currency Risk (continued)

The table below presents the Group's sensitivity to a 10% deviation in foreign exchange rates (especially EUR and GBP). 10% is the rate used by the Group when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Group's management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates an increase in profit / loss before tax or equity.

Foreign currency sensitivity analysis table

	30.06.2024			
	Profit/(Loss)		**Equity**	
	Foreign currency appreciation	**Foreign currency depreciation**	**Foreign currency appreciation**	**Foreign currency depreciation**
Change of USD against TL by 10%				
1- USD net assets / liabilities	(1.841.969)	1.841.969	(1.841.969)	1.841.969
2- Hedged portion of USD risk (-)	--	--	--	--
3- USD net effect (1+2)	**(1.841.969)**	**1.841.969**	**(1.841.969)**	**1.841.969**
Change of EUR against TL by 10%				
4- Net EUR assets/liabilities	416.768	(416.768)	416.768	(416.768)
5- Hedged portion of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	**416.768**	**(416.768)**	**416.768**	**(416.768)**
Change of other currencies against TL by 10%				
7- Net GBP assets/liabilities	686	(686)	686	(686)
8- Hedged portion of GBP risk (-)	--	--	--	--
9- GBP net effect (7+8)	**686**	**(686)**	**686**	**(686)**
Total (3+6+9)	**(1.424.515)**	**1.424.515**	**(1.424.515)**	**1.424.515**

(Currency –Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 30 June 2024 unless otherwise expressed)

34. The Nature and Level of Risks Arising from Financial Instruments (Continued)

b) Financial Risk Factors (continued)

b.2) Market Risk (continued))

b.2.1) Foreign Currency Risk (continued)

Foreign currency sensitivity analysis table

31.12.2023				
	Profit/(Loss)		**Equity**	
	Foreign currency appreciation	**Foreign currency depreciation**	**Foreign currency appreciation**	**Foreign currency depreciation**
Change of USD against TL by 10%				
1- USD net assets / liabilities	(1.304.750)	1.304.750	(1.304.750)	1.304.750
2- Hedged portion of USD risk (-)	--	--	--	--
3- USD net effect (1+2)	**(1.304.750)**	**1.304.750**	**(1.304.750)**	**1.304.750**
Change of EUR against TL by 10%				
4- Net EUR assets/liabilities	597.243	(597.243)	597.243	(597.243)
5- Hedged portion of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	**597.243**	**(597.243)**	**597.243**	**(597.243)**
Change of other currencies against TL by 10%				
7- Net GBP assets/liabilities	6	(6)	6	(6)
8- Hedged portion of GBP risk (-)	--	--	--	--
9- GBP net effect (7+8)	**6**	**(6)**	**6**	**(6)**
Total (3+6+9)	**(707.501)**	**707.501**	**(707.501)**	**707.501**

b.2.2) Interest rate risk management

Borrowing of the Group at fixed and variable interest rates. It exposes the Group to interest rate risk. Interest rates of financial assets and liabilities are stated in the related notes.

35. Financial Instruments (fair value explanations and disclosures within the framework of hedge accounting)

Fair value of financial instruments

Fair value is defined as 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.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, estimates are necessary in interpreting market data to determine fair value. Accordingly, the estimates presented here may not represent the amounts that the Group could realize in a current market transaction.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

It is assumed that the carrying values of financial assets shown at cost, including cash and cash equivalents, are equal to their fair values due to their short-term nature. It is anticipated that the carrying values of trade receivables, together with the related impairment provisions, reflect the fair value.

35. Financial Instruments (fair value explanations and disclosures within the framework of hedge accounting) (Continued)

<u>Fair value of financial instruments (continued)</u>

Monetary liabilities

The fair values of short-term bank loans and other monetary liabilities are considered to be close to their book values due to their short-term nature.

Due to the fact that long-term financial liabilities mostly have variable interest rates and are repriced in the short term, it is anticipated that the carrying values of the borrowings are close to their fair values as of the reporting date.

First level: Valuation techniques that use active market (unadjusted) market prices for identical assets and liabilities.

Second level: Valuation techniques that include inputs used to find the directly or indirectly observable market price of the relevant asset or liability other than the market price specified at the first level.

Third level: Valuation techniques that include inputs that are not based on market observable data used to determine the fair value of the asset or liability.

36. Events After the Reporting Date

None.