NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 DECEMBER 2023 TOGETHER WITH THE
INDEPENDENT AUDITOR'S REPORT

(*CONVENIENCE TRANSLATION INTO ENGLISH ORIGINALLY ISSUED IN TURKISH)*

Nurol Holding A. Ş. and Its Subsidiaries

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Grant Thornton

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INDEPENDENT AUDITORS REPORT

Nurol Holding A.Ş

A) Independent Audit of the Consolidated Financial Statements

1) Opinion

We have audited the accompanying consolidated financial statements of Nurol Holding A.Ş (the "Company") and its subsidiary (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

Our audit was conducted in accordance with the independent auditing standards published by the Capital Markets Board ("CMB") and Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the *"Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"* section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion

3) Other Matters

a) Entities applying TFRS's have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. We draw attention to Note 2, where explanations regarding the transition to inflation accounting are provided. This matter does not impact our opinion.

b) The financial statements of the Group's consolidated subsidiaries; FNSS Savunma Sistemleri A.Ş., Nurol Gayrimenkul Yatırım Ortaklığı A.Ş., Nurol Yatırım Bankası A.Ş., Nurol Makina Sanayi A.Ş., Turser Turizm Servis Yayıncılık ve Ticaret A.Ş., and Tümad Madencilik Sanayi ve Ticaret A.Ş. have been audited by other audit firms for the accounting period of 01 January - 31 December 2023 (Note 1).

c) The audit of the consolidated financial statements of Nurol Holding A.Ş. for the year ended 31 December 2022 was performed by another independent audit firm. An unqualified opinion was given in the independent audit report dated 9 March 2023 prepared by the independent audit firm.

4) Key Audit Matters

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

According to us, the issues described below are identified as key audit matters and are reported in our report:

Key Audit Matters	**How our audit addressed the Key Audit Matter**
Application of the hyperinflationary accounting	
As explained in Note 2.1, due to the functional currency of the Group (Turkish Lira) being considered a high-inflation economy currency as of 31 December 2023, the Group has started to apply the "TAS 29 Financial Reporting in Hyperinflationary Economies" standard. In accordance with TAS 29, the consolidated financial statements and financial information for previous periods have been restated to reflect changes in the general purchasing power of the Turkish Lira, and as a result, have been presented in terms of the purchasing power of the Turkish Lira as of the reporting date. In line with the guidelines of TAS 29, the Group has used Turkish consumer price indices to prepare inflation-adjusted financial statements. The principles applied for inflation adjustment are explained in Note 2.1. Given the significant impact of TAS 29 on the Group's reported results and financial position, inflation accounting has been considered a key audit matter.	The applied audit procedures are explained below: • Discussions were held with the management responsible for financial reporting to review the principles considered during the implementation of TAS 29, the identification of non-monetary accounts, and the tests conducted on the designed TAS 29 models. • The inputs and indices used were tested to ensure the completeness and accuracy of the calculations. • The financial statements and related financial information restated in accordance with TAS 29 were reviewed. • The adequacy of the information provided in the inflation-adjusted financial statements and related note disclosures was assessed in terms of TAS 29

4) Key Audit Matters

<table>
<tr><th>Key Audit Matters</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2">Valuation Principles and Accounting for Tangible and Intangible Fixed Assets and Investment Properties</td></tr>
<tr><td>In the Group's consolidated financial statements, tangible fixed assets, intangible fixed assets, and investment properties constitute a significant portion of the Group's assets.

The Group calculates depreciation using the straight-line depreciation method and makes certain estimates for tangible fixed assets. Additionally, Group management observes whether there is any impairment in tangible fixed assets each period.

The Group follows the fair value model for its investment properties.

The accounting estimates used by the Group in calculating depreciation, impairment assessments, and the valuation methods applied to investment properties have been identified as a key audit matter due to the significant estimates and assumptions they involve</td><td>During our independent audit, the applied audit procedures were as follows:

• We reviewed and evaluated the impairment testing model for the Group's tangible fixed assets.

• We assessed the consistency of the estimates used for tangible fixed assets, intangible fixed assets, and investment properties with previous periods.

• The Group's depreciation calculation workings were obtained and re-evaluated by recalculating the depreciation.

• We ensured that valuation reports for investment properties were prepared by authorized experts and assessed their compliance with valuation standards, performing necessary recalculations.

Based on our audit procedures, we reviewed the disclosures in the notes to the consolidated financial statements of the Group, and found the information provided in these notes to be adequate in accordance with TMS 16, TMS 38, TMS 40, and other relevant standards.</td></tr>
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<table>
<tr><th>Key Audit Matters</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2">Financial Liabilities</td></tr>
<tr><td>In the consolidated financial statements of the Group dated 31 December 2023, current and non-current financial liabilities is in the amount of TL 36.698.356 thousand (31 December 2022: TL 48.534.158 thousand), constituting 27% of the Group's total resources (31 December 2022: 36%) (Note 8).

Financial liabilities have been identified as a key audit matter due to the complexity of the audit and the calculation technique, which have a significant impact on the consolidated financial statements.</td><td>During our audit, regarding the recognition of revenue in financial statements, the following audit procedures we have been applied:

• Our audit procedures are designed to question the accuracy of bank loans, and confirmatory documents such as important bank loans were provided during the audit process.

• Confirmations regarding the Group’s bank loan balances have been obtained.

• Calculations related to the current period loan interest provisions have been recalculated and checked.

• Period-end exchange rate valuation transactions for foreign currency loans have been recalculated.

• The explanations in the notes to the financial statements regarding bank loans were examined and the adequacy of the information included in these notes was evaluated.</td></tr>
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4) Key Audit Matters (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matter
Revenue Recognition	
A significant portion of the Group's revenue comes from project contracts and construction works (such as real estate development, construction contracts, armoured vehicle production, etc.). The consolidated revenue for the year ending 31 December 2023, is in the amount of TL 42.352.372 thousand, with a significant portion of the consolidated revenue stemming from contract revenues related to projects. In the accounting of revenue, determining the results of construction projects containing project-specific terms involves particularly estimating the costs to be incurred for project completion, the impact of future events on contract revenue due to uncertainties, and the accounting for amounts related to project change requests based on management's estimates and judgments. Recording revenue from construction and project contracts (alongside the accounting for receivables and payables from ongoing construction contracts) is determined as a key audit matter due to significantly relying on management's estimates and judgments.	During our audit, regarding the recognition of revenue in financial statements, the following audit procedures we have been applied: • We have reviewed the terms and conditions of construction contracts which have significance in the determination of whether revenue is recognized for the related period and evaluation of estimates used by the management. • We evaluated and tested the operating effectiveness of controls over the relevant processes regarding the accuracy and timing of revenue recognized in the consolidated financial statements. • Samples have been selected regarding the costs incurred for ongoing construction projects by the Group and have been tested using supporting documents. • The contract revenue associated with construction contracts has been recalculated using the input method. • The cost budgets of construction contracts and their forecasts have been compared with the results of the previous year to examine whether it is reasonable. Based on our audit, the disclosures in the notes to the consolidated financial statements related to the realization of the Group's revenue are reviewed and the adequacy of the information included in the notes have been deemed appropriate with regards to TFRS 15 and other related standards.

5) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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

We use our professional judgment and maintain our professional scepticism throughout the independent audit as a requirement of the independent audit conducted in accordance with the independent auditing standards published by the CMB and the SIA.

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

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

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

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

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

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

6.) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

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

7) Other Responsibilities Arising from Regulatory Requirements

In accordance with Article 378 of the Turkish Commercial Code ("TCC") numbered 6102, for Nurol İnşaat A.Ş. ("Company"), it is not mandatory to establish an expert committee to manage the risk since the Company's shares are not traded on the stock exchange. Our audit does not include evaluating the operational efficiency and adequacy of the activities carried out by the Company Management in order to manage these risks. As a result of the independent audit, no important issue was encountered regarding the necessity of the said committee.

1) According to paragraph four of article numbered 402 of TCC (6102) at the accounting period of the Company as of 1 January – 31 December 2023, there are no important matters encountered regarding the system of bookkeeping and financial statements.

2) According to paragraph four of article numbered 402 of TCC, the Board of Directors made the required disclosures and provided the requested documentation within the framework of the audit.

The name of the engagement partner who supervised and concluded this audit is Nazım Hikmet

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

Nazım Hikmet
Partner

14 June 2024
İstanbul, Türkiye

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2023 AND 2022

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

ASSETS	**Notes**	**Audited 31 December 2023 TL**	**Audited 31 December 2023 USD**	**Audited 31 December 2022 TL**	**Audited 31 December 2022 USD**
Current Assets					
Cash and Cash Equivalents	6	10.587.427	359.649	15.515.997	503.607
- Group Companies	*6*	*3.758.558*	*127.676*	*6.554.240*	*212.733*
- Nurol Investment Bank	*6*	*6.828.869*	*231.973*	*8.961.757*	*290.874*
Financial Investments	8	83.504	2.837	22.081	717
Trade Receivables					
- Trade Receivables Due from Related Parties	*5*	*62.654*	*2.128*	*147.388*	*4.784*
- Trade Receivables Due from Third Parties	*7*	*4.560.641*	*154.923*	*4.409.831*	*143.131*
Other Receivables					
- Other Receivables Due from Related Parties	*5*	*364.817*	*12.393*	*1.114.468*	*36.173*
- Other Receivables Due from Third Parties	*12*	*865.222*	*29.391*	*815.104*	*26.456*
Receivables from Financial Sector Activities	9	11.287.303	383.424	15.789.286	512.477
Derivative Financial Assets		269.530	9.156	310.104	10.065
Inventories	13	8.720.305	296.224	7.697.136	249.828
Unbilled Contract Costs	15	8.577.692	291.380	14.346.079	465.635
Prepaid Expenses	14	1.621.177	55.071	1.685.980	54.722
Current Tax Assets	32	83.843	2.848	669.904	21.743
Other Current Assets	25	2.091.496	71.047	2.117.271	68.721
Total Current Assets		**49.175.611**	**1.670.471**	**64.640.629**	**2.098.059**
Non - Current Assets					
Trade Receivables					
- Trade Receivables Due from Related Parties	*5*	*2.954*	*100*	*11.730*	*381*
- Trade Receivables Due from Third Parties	*8*	--	--	--	--
Other Receivables					
- Other Receivables Due from Related Parties	*5*	*168.083*	*5.710*	*155.121*	*5.035*
- Other Receivables Due from Third Parties	*12*	*2.462.329*	*83.644*	*975.540*	*31.663*
Receivables from Financial Sector Activities	9	7.481.420	254.140	2.967.985	96.333
Derivative Financial Assets		38.603	1.311	39.287	1.275
Investments in Associates	16	31.976	1.086	27.280	885
Investments Recognized Using the Equity Method	17	29.019.093	985.763	28.935.416	939.165
Unbilled Contract Costs	15	1.671.592	56.783	3.271.014	106.168
Investment Properties	20	13.994.266	475.378	9.251.869	300.290
Property, Plant and Equipment	19	21.386.995	726.505	21.638.052	702.312
Intangible Assets and Goodwill					
-Goodwill	*18*	*189.449*	*6.435*	*189.449*	*6.149*
-Other Intangible Assets	*22*	*2.487.119*	*84.486*	*2.317.612*	*75.223*
Prepaid Taxes and Funds	32	250.678	8.515	142.739	4.633
Prepaid Expenses	14	161.722	5.494	21.269	690
Deferred Tax Asset	32	5.181.713	176.020	1.794.689	58.251
Other Current Assets	25	470.153	15.971	211.972	6.880
Total Non - Current Assets		**84.998.145**	**2.887.341**	**71.951.024**	**2.335.333**
TOTAL ASSETS		**134.173.756**	**4.557.812**	**136.591.653**	**4.433.392**

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

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2023 AND 2022

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

LIABILITIES	Notes	Audited 31 December 2023 TL	Audited 31 December 2023 USD	Audited 31 December 2022 TL	Audited 31 December 2022 USD
Current Liabilities					
Current Borrowings	10	19.637.555	667.078	24.548.558	796.779
- Group Companies	*10*	*16.846.558*	*572.269*	*19.863.570*	*644.717*
- Nurol Investment Bank	*10*	*2.790.997*	*94.809*	*4.684.988*	*152.062*
Funds Borrowed	11	8.990.377	305.398	15.098.576	490.059
Trade Payables					
-Trade Payables to Related Parties	*5*	*34.067*	*1.157*	*184.798*	*5.998*
-Trade Payables to Third Parties	*7*	*19.953.221*	*677.800*	*14.038.725*	*455.659*
Payables Related to Employee Benefits	24	166.472	5.655	172.156	5.588
Other Payables					
-Other Payables to Related Parties	*5*	*40.890*	*1.389*	*189*	*6*
-Other Payables to Third Parties	*12*	*1.546.482*	*52.533*	*1.191.465*	*38.672*
Derivative Financial Liabilities		817.642	27.775	221.026	7.174
Deferred Income	14	4.311.005	146.443	3.959.365	128.510
Current Tax Liabilities	32	444.022	15.083	641.443	20.819
Deferred Contract Revenue	15	111.966	3.803	481.501	15.628
Current Provisions					
- Current Provisions for Employee Benefits	*24*	*193.344*	*6.568*	*205.848*	*6.681*
-Other Current Provisions	*23*	*1.651.773*	*56.110*	*1.407.339*	*45.678*
Other Current Provisions	25	1.404.593	47.713	1.012.422	32.860
Total Current Liabilities		**59.303.409**	**2.014.505**	**63.163.411**	**2.050.111**

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

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2023 AND 2022

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

LIABILITIES	Notes	Audited 31 December 2023 TL	Audited 31 December 2023 USD	Audited 31 December 2022 TL	Audited 31 December 2022 USD
Non - Current Liabilities					
Non - Current Borrowings	10	17.060.801	579.546	23.985.600	778.508
- Group Companies	*10*	*17.060.801*	*579.546*	*23.831.068*	*773.492*
- Nurol Investment Bank	*10*	--	--	*154.532*	*5.016*
Trade Payables					
-Trade Payables to Related Parties	*5*	--	--	--	--
-Trade Payables to Third Parties	*7*	*3.453.352*	*117.309*	*3.324.409*	*107.901*
Other Payables					
-Other Payables to Related Parties	*5*	--	--	--	--
-Other Payables to Third Parties	*12*	*2.100.109*	*71.340*	*2.223.782*	*72.178*
Derivative Financial Liabilities		466.923	15.861	287.646	9.336
Deferred Income	14	616.815	20.953	2.489.173	80.792
Non - Current Provisions					
-Non – Current Provisions for Employee Benefits	*24*	*269.967*	*9.171*	*396.167*	*12.859*
-Other Non - Current Provisions	*23*	*635.635*	*21.592*	*515.630*	*16.736*
Other Non – Current Liabilities	25	70	2	4.202	136
Deferred Tax Liabilities	32	3.212.140	109.115	2.824.483	91.675
Total Non – Current Liabilities		**27.815.812**	**944.889**	**36.051.092**	**1.170.121**
Total Liabilities		**87.119.221**	**2.959.394**	**99.214.503**	**3.220.232**
Equity					
Equity Attributable to Owners of Parent					
Paid-in-Capital	26	776.000	26.360	776.000	25.187
Capital Adjustment Differences	26	9.636.149	327.335	9.636.149	312.763
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss					
-Losses on Remeasurements of Defined Benefit Plans	*26*	*(87.413)*	*(2.969)*	*(67.257)*	*(2.183)*
-Increases on Revaluation of Property, Plant and Equipment	*26*	*3.239.127*	*110.031*	*3.492.718*	*113.364*
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss					
-Foreign Currency Exchange Differences	*26*	*10.936.611*	*371.511*	*8.517.992*	*276.471*
-Change in fair value of available-for-sale financial assets	*26*	*142.351*	*4.836*	*5.088*	*165*
-Losses on Cash Flow Hedges	*26*	*(855.977)*	*(29.077)*	*(299.137)*	*(9.709)*
Restricted Reserves	26	1.175.230	39.922	1.219.301	39.575
Retained Earnings		12.280.965	417.178	(1.382.509)	(44.872)
Current Period Profit		9.228.364	388.592	13.038.175	478.081
Non – Controlling Interests	26	583.128	19.809	2.440.630	79.216
Total Equity		**47.054.535**	**1.673.528**	**37.377.150**	**1.268.058**
Translation difference		--	(75.110)	--	(54.898)
TOTAL LIABILITIES AND EQUITY		**134.173.756**	**4.557.812**	**136.591.653**	**4.433.392**

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

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS OF PROFIT AND LOSS
AS OF 01 JANUARY - 31 DECEMBER 2023 AND 2022

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

PROFIT OR LOSS	**Notes**	**Audited 1 January - 31 December 2023 TL**	**Audited 1 January - 31 December 2023 USD**	**Audited 1 January - 31 December 2022 TL**	**Audited 1 January - 31 December 2022 USD**
Revenue	27	34.831.855	1.466.716	41.356.938	1.516.467
Revenue from Financial Sector Activities	27	7.520.517	316.677	4.887.936	179.230
		42.352.372	1.783.393	46.244.874	1.695.697
Cost of Sales (-)	27	(23.838.564)	(1.003.805)	(26.952.699)	(988.296)
Cost of Sales from Financial Sector Activities (-)	27	(2.545.630)	(107.193)	(1.823.525)	(66.865)
		(26.384.194)	(1.110.998)	(28.776.224)	(1.055.161)
Gross Profit		**15.968.178**	**672.395**	**17.468.650**	**640.536**
General Administrative Expenses (-)	28	(3.027.226)	(127.472)	(2.452.413)	(89.925)
Marketing Expenses (-)	28	(289.591)	(12.194)	(1.031.164)	(37.811)
Research and Development Expenses (-)	28	(336.267)	(14.160)	(463.701)	(17.003)
Other Income from Operating Activities	29	1.100.975	46.360	736.471	27.005
Other Expense from Operating Activities (-)	29	(2.232.511)	(94.008)	(824.113)	(30.218)
Profit from Operations		**11.183.558**	**470.921**	**13.433.730**	**492.584**
Share of Profit (Loss) from Investments Using the Equity Method	17	11.461.825	482.640	11.793.636	432.447
Income from Investing Activities	30	6.099.957	256.860	4.439.696	162.794
Expense from Investing Activities (-)	30	(200.802)	(8.455)	(451.641)	(16.561)
Profit before Financing Income		**28.544.538**	**1.201.966**	**29.215.421**	**1.071.264**
Finance Income	31	6.774.468	285.262	4.452.522	163.264
Finance Expense (-)	31	(21.473.964)	(904.235)	(18.665.779)	(684.433)
Monetary gain / loss		(2.780.055)	(117.064)	(1.427.156)	(52.331)
Profit from Continuing Operations		**11.064.987**	**465.929**	**13.575.008**	**497.764**
Tax Income, Continuing Operations					
Current Period Tax (Expense)	32	(2.236.126)	(94.160)	(1.087.674)	(39.883)
Deferred Tax Income	32	223.671	9.418	634.307	23.259
Profit from Continuing Operations		**9.052.532**	**381.187**	**13.121.641**	**481.140**
Profit for the Period		**9.052.532**	**381.187**	**13.121.641**	**481.140**
Profit / (Loss), Attributable to					
Non – Controlling Interests		(175.832)	(7.405)	83.466	3.059
Owners of Parent		9.228.364	388.592	13.038.175	478.081
(Losses) / Earnings Per Share	*33*	11,4390		17,0169	
EBITDA	**2.7**	**13.344.368**	**561.911**	**15.424.097**	**565.567**
- Group Companies		*9.200.277*	*387.410*	*12.848.588*	*471.129*
- Nurol Investment Bank		*4.144.091*	*174.501*	*2.575.509*	*94.438*

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

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS OF OTHER COMPHRENSIVE INCOME
AS OF 01 JANUARY - 31 DECEMBER 2023 AND 2022

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

	Audited Current Period 1 January - 31 December 2023	**Audited Prior Period 1 January - 31 December 2022**
Profit for the Period	**9.052.532**	**13.121.641**
Items not to be reclassified to profit or loss	**(273.747)**	**(2.465.432)**
Revaluation gains/losses	(253.591)	(2.386.385)
Remeasurement gains/losses on defined benefit plans	(20.156)	(79.047)
Items to be reclassified to profit or loss	**2.280.045**	**(5.003.518)**
Revaluation of financial assets held for sale	137.263	(9.044)
Gains from cash flow hedge accounting for risk management	(556.840)	(314.776)
Foreign exchange gains/losses	2.699.622	(4.679.698)
Other Comprehensive Income / (Expense)	**2.006.298**	**(7.468.950)**
Total Comprehensive Income	**11.058.830**	**5.652.691**
Distribution of Total Comprehensive Income	**11.058.830**	**5.652.691**
Non-controlling interests	(175.832)	83.467
Parent company interests	11.234.662	5.569.224

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

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF 01 JANUARY - 31 DECEMBER 2023 AND 2022

(Currency – Thousand Turkish Liras “TL” in terms of purchasing power of the “TL” at 31 December 2023 unless otherwise expressed

	Share capital	Capital adjustment different	Accumulated remeasurement gains and losses on defined benefit plans	Revaluation and reclassification gains/(losses)	Foreign currency translation differences	Change in fair value of available-for-sale financial assets)	Restricted reserves	Cash flow hedge gains	Prior years' income	Net profit / (loss) for the period	Equity attributable to parent company	Non-controlling interests	Total
Balance at 1 January 2023	**776.000**	**9.636.149**	**(67.257)**	**3.492.718**	**8.517.992**	**5.088**	**1.219.301**	**(299.137)**	**(1.382.509)**	**13.038.175**	**34.936.520**	**2.440.630**	**37.377.150**
Transfer to general reserves	–	–	–	–	–	–	(249.261)	–	13.813.443	(13.038.175)	526.007	–	526.007
Foreign exchange gains/losses	–	–	–	(252.550)	2.418.619	–	(95.035)	117.592	376.038	–	2.564.664	–	2.564.664
Cash flow hedge loss/gains	–	–	–	–	–	–	–	(674.432)	–	–	(674.432)	–	(674.432)
Remeasurement gains/losses on defined benefit plans	–	–	(20.156)	–	–	–	–	–	–	–	(20.156)	–	(20.156)
Dividends paid	–	–	–	–	–	–	300.225	–	(526.007)	–	(225.782)	–	(225.782)
Revaluation gains/losses on property, plant and equipment	–	–	–	(1.041)	–	–	–	–	–	–	(1.041)	–	(1.041)
Minority interest	–	–	–	–	–	–	–	–	–	–	–	(1.857.502)	(1.857.502)
Revaluation gains/(losses) on financial assets held for sale	–	–	–	–	–	137.263	–	–	–	–	137.263	–	137.263
Net profit for the period	–	–	–	–	–	–	–	–	–	9.228.364	9.228.364	–	9.228.364
Balance at 31 December 2023	**776.000**	**9.636.149**	**(87.413)**	**3.239.127**	**10.936.611**	**142.351**	**1.175.230**	**(855.977)**	**12.280.965**	**9.228.364**	**46.471.407**	**583.128**	**47.054.535**

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

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF 01 JANUARY - 31 DECEMBER 2023 AND 2022

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed

	Share capital	Capital adjustment different	Accumulated remeasurement gains and losses on defined benefit plans	Revaluation and reclassification gains/(losses)	Foreign currency translation differences	Change in fair value of available-for-sale financial assets)	Restricted reserves	Cash flow hedge gains	Prior years' income	Net profit / (loss) for the period	Equity attributable to parent company	Non-controlling interests	Total
Balance at 1 January 2022	**776.000**	**9.636.149**	**11.790**	**5.879.103**	**10.285.510**	**14.132**	**1.043.816**	**15.639**	**(6.525.481)**	**8.247.224**	**29.383.882**	**1.376.872**	**30.760.754**
Transfer to general reserves	--	--	--	--	--	--	--	--	8.247.224	(8.247.224)	--	--	--
Foreign exchange gains/losses	--	--	--	(2.638.105)	(1.767.518)	--	(89.590)	(6.118)	(2.822.590)	--	(7.323.921)	--	(7.323.921)
Cash flow hedge gains/losses	--	--	--	--	--	--	--	(308.658)	--	--	(308.658)	--	(308.658)
Remeasurement gains/losses on defined benefit plans	--	--	(79.047)	--	--	--	--	--	--	--	(79.047)	--	(79.047)
Dividends paid	--	--	--	--	--	--	265.075	--	(282.633)	--	(17.558)	--	(17.558)
Revaluation gains/losses on property, plant and equipment	--	--	--	251.720	--	--	--	--	--	--	251.720	--	251.720
Minority Interest	--	--	--	--	--	--	--	--	--	--	--	1.063.758	1.063.758
Exclusion from consolidation effect	--	--	--	--	--	--	--	--	971	--	971	--	971
Revaluation gains/(losses) on financial assets held for sale	--	--	--	--	--	(9.044)	--	--	--	--	(9.044)	--	(9.044)
Net profit for the period	--	--	--	--	--	--	--	--	--	13.038.175	13.038.175	--	13.038.175
Balance at 31 December 2022	**776.000**	**9.636.149**	**(67.257)**	**3.492.718**	**8.517.992**	**5.088**	**1.219.301**	**(299.137)**	**(1.382.509)**	**13.038.175**	**34.936.520**	**2.440.630**	**37.377.150**

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

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
AS OF 01 JANUARY - 31 DECEMBER 2023 AND 2022

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed

	Audited Current Period 1 January - 31 December 2023	**Audited Prior Period 1 January - 31 December 2022**
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	*9.052.532*	*13.121.641*
Adjustments to Reconcile Profit (Loss)		
Adjustments for depreciation and amortisation expense	1.525.140	1.924.800
Adjustments for (reversal of) provisions related to employee benefits	(146.356)	135.551
Adjustments for (reversal of) provisions related to unused vacation	(12.504)	71.782
Adjustments for profits of investments accounted for using equity method	(83.677)	(497.642)
Other adjustments for other provisions	364.439	(252.199)
Adjustments for tax expenses	(1.218.521)	(96.566)
Adjustments for interest expense / (income)	4.386.002	6.594.331
Adjustments for foreign exchange losses (gains)	2.418.619	(1.767.518)
Adjustments for losses (gains) arise from revaluation of tangible assets	(2.498.556)	(9.036.685)
Adjustments for fair value (gains) losses on derivative financial instruments	260.311	131.249
Adjustments for losses (gains) arise from sale of tangible assets	(111.224)	(9.066)
Adjustments for fair value (gains) losses on financial investments	137.263	(9.044)
Adjustments related to dividend income	(78.524)	(802)
Adjustments related to exclusion from consolidation	--	971
Adjustments related to minority interest	(1.857.798)	1.063.758
Monetary gains / (losses)	(3.633.300)	(11.027.390)
Changes in net working capital	***8.546.823***	***(4.542.435)***
Decrease (increase) in inventories	(1.023.169)	1.520.381
Decrease (increase) in trade receivables	(57.300)	1.767.054
Decrease (increase) in other receivables related to operations	(404.500)	4.643.656
Changes in assets / liabilities from customer contracts	6.998.274	622.863
Increase (decrease) in employee benefit liabilities	(5.684)	43.219
Decrease (increase) in prepaid expenses	(75.650)	(82.139)
Decrease (increase) in other assets related with operations	503.897	876.081
Increase (decrease) in trade payables	5.892.708	(3.025.023)
Increase (decrease) in other payables related to operations	(123.673)	(7.123.923)
Increase (decrease) in deferred income	(1.520.718)	(2.954.791)
Increase (decrease) in financial investments	(47.130)	310.761
Income taxes refund (paid)	(1.978.267)	(420.232)
Increase (decrease) in other payables related with operations	388.035	(720.342)
Net Cash Flows Generated from Operating Activities	**17.050.669**	**(4.195.264)**
B. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / repayments from borrowings	(11.835.802)	(18.294.138)
Interest paid	(4.400.295)	(6.621.909)
Cash flows from finance sector operations, net	(6.377.832)	8.797.442
Dividend paid	(17.733)	(17.558)
Nurol Bank bill payment	17.478.476	30.415.611
Nurol Bank bill issuance	(17.647.361)	(27.667.749)
Net Cash Flows Generated from Financing Activities	**(22.800.547)**	**(13.388.301)**
C. CASH FLOWS FROM INVESTMENT ACTIVITIES		
Net cash inflows and outflows from the purchase and sale of tangible fixed assets	(966.296)	266.409
Net cash inflows and outflows from the purchase and sale of intangible assets	(363.752)	(282.069)
Net cash inflows and outflows from the purchase and sale of investment properties	(2.005.910)	5.124.991
Investments in subsidiaries	(4.696)	2.234
Net Cash Flows Used in Investment Activities	**(3.340.654)**	**5.111.565**
Inflation adjustment on cash and cash equivalents	**4.161.962**	**6.070.550**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4.928.570)**	**(6.401.450)**
D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**15.515.997**	**21.917.447**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**10.587.427**	**15.515.997**

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

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

1. Organization and Nature of Activities 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 defence, mining, real estate, investment, finance, tourism, energy, trade and services both in Türkiye 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 31 December 2023 and 2022 is as follows:

	Share Ratio (%)	**31.12.2023**	**31.12.2022**
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
	100	**776.000**	**776.000**
Capital adjustment		9.636.149	9.636.149
	100	**10.412.149**	**10.412.149**

Consolidated Subsidiaries

As of 31 December 2023 and 2022, the subsidiaries included in consolidation and the rate of ownership is as follows:

	Share Ratio (%)	
	31.12.2023	**31.12.2022**
Construction Group		
Nurol İnşaat ve Ticaret A.Ş.	99,95	99,95
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	62,48	63,10
Energy Group		
Nurol Enerji Üretim ve Pazarlama A.Ş. (*)	99,98	99,96
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
Defence 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 31 December 2023 unless otherwise expressed)

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

Consolidated Subsidiaries (Continued)

	Share Ratio (%)	
	31.12.2023	**31.12.2022**
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		
Nurol Otelcilik ve Turizm İşletmeleri A.Ş. (****)	--	99,99
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

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

A capital increase of in the amount of TL 200.000.000 was made on 21 December 2023, pursuant to the decision taken at the Ordinary General Assembly of 2022. The resolution of the Ordinary General Assembly regarding the capital increase was announced in the Turkish Trade Registry Gazette numbered 10986 on 25 December 2023

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

A capital increase of TL 6.950.000 was made on 28 February 2023, pursuant to the decision taken at the Ordinary General Assembly of 2022. The resolution of the Ordinary General Assembly regarding the capital increase was announced in the Turkish Trade Registry Gazette numbered 10782 on 3 March 2023.

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

A capital increase of TL 240.000.000 was made on 28 September 2023, pursuant to the decision taken at the Ordinary General Assembly of 2022. The resolution of the Ordinary General Assembly regarding the capital increase was announced in the Turkish Trade Registry Gazette numbered 10927 on 3 October 2023.

(****) ***Nurol Otelcilik ve Turizm İşletmeleri A.Ş. ("Nurol Otelcilik")***

Nurol Hospitality merged with Nurol Holding based on the decision of the Board of Directors dated 24 May 2023, and numbered 2023/10. The resolution accepting the merger was announced in the Turkish Trade Registry Gazette numbered 10892 on 14 August 2023.

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

A capital increase was made on 28 March 2023, during the Ordinary General Assembly of 2022, where the Bank's paid-in capital was increased from internal sources to TL 1.800.000 by utilizing TL 1.050.000. The resolution of the Ordinary General Assembly regarding the capital increase was announced in the Turkish Trade Registry Gazette numbered 10845 on 5 June 2023.

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

Equity Method Investments

Otoyol Yatırım ve İşletme A.Ş.:

Otoyol Yatırım ve İşletme A.Ş. was established on 20 September 2010, in Ankara to construct, operate and transfer the Gebze-Orhangazi-Izmir Highway (including transition and connection roads of Izmir Bay) at the end of the period. The project is designed with the build - operate - transfer model. Nurol İnşaat owns 25.95% of the shares of Otoyol Yatırım ve İşletme A.Ş. (2022: 25.95%) and is listed in the accompanying consolidated financial statements under investments recognized using the equity method.

FNSS Middle East Co. Ltd.:

FNSS Savunma Sistemleri A.Ş., a subsidiary of Nurol Holding, acquired shares in FNSS Middle East Co. Ltd. in Saudi Arabia in 2014. FNSS Savunma Sistemleri A.Ş. holds a 50% stake in FNSS Middle East Co. Ltd. and is consolidated using the equity method in the consolidated financial statements provided herein.

Joint Ventures Consolidated Using the Proportional Consolidation Method

The ownership interests of the joint ventures subject to joint management consolidated in the financial statements as of December 31, 2023, and December 31, 2022, are provided below. The joint ventures subject to joint management are included in the financial statements using the proportional consolidation method, whereby their net assets and activities are proportionally consolidated.

	Branches and Affiliates (%)	
	31.12.2023	**31.12.2022**
Özgün - Nurol Joint Venture	50	50
Nurol - YDA - Özka Joint Venture (*)	65	40
Nurol - Mesa Joint Venture	50	50
Nurol - Gülermak Joint Venture (**)	--	50
Nurol - Gülsan Joint Venture	50	50
Gama - Nurol Joint Venture	50	50
Nurol - Gülermak - Makyol Joint Venture	33,33	33,33
Özgün - Nurol Joint Venture	50	50

(*) Yüksel İnşaat A.Ş., which holds a 25% partnership share in the Ordu Highway Completion Project undertaken by Nurol – Yüksel - YDA - Özka Joint Venture, has transferred its shares to Nurol İnşaat A.Ş. with a transfer agreement.

(**) Ümraniye-Ataşehir-Göztepe Metro Construction Works, undertaken by Nurol - Gülermak Joint Venture, was transferred to Nurol - Gülermak - Makyol Joint Venture with a transfer agreement. The Group management has decided to liquidate the partnership as of 17 June 2023.

Among the companies within the Group, subsidiaries in which the parent company, directly or indirectly, holds ownership of 50% or more, or has control over voting rights or transactions, are fully consolidated. The company has fully consolidated its subsidiaries and foreign subsidiaries and branches, while entities subject to joint management are included in the financial statements using the proportional consolidation method. When it is deemed that control is present to manage financial and operational policies, the Group is considered to have control. The Group has significant influence in the management of the mentioned companies. In accordance with International Accounting Standards 27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries), these investments are consolidated.

Henceforth, in the consolidated financial statements, Nurol Holding A.Ş. and its consolidated subsidiaries will be referred to as the "Group

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

As of 31 December 2023 and 2022, the breakdown of personnel employed within the Group is as follows:

	Number of Personnel	
	31.12.2023	**31.12.2022**
Nurol İnşaat ve Ticaret A.Ş.	6.050	8.187
Tümad Madencilik Sanayi ve Ticaret A.Ş.	959	969
FNSS Savunma Sistemleri A.Ş.	970	970
Nurol Makina Sanayi A.Ş.	605	622
Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş.	441	434
Nurol Yatırım Bankası A.Ş.	105	92
Nurol Holding A.Ş.	141	130
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	43	45
Nurol Kontrol ve Aviyonik Sistemleri A.Ş.	38	33
Enova Enerji Üretim A.Ş.	31	31
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.	19	19
Nurol Göksu Elektrik Üretim A.Ş.	16	19
Botim İşletme Yönetim ve Ticaret A.Ş.	17	17
Bosfor Turizm İşletmecilik A.Ş.	16	16
Nurol Havacılık A.Ş.	12	14
Nurol Sigorta Aracılık Hizmetleri A.Ş.	11	13
Enova Elektrik Enerjisi Toptan Satış A.Ş.	6	6
Nurol Solar Enerji Üretim A.Ş.	8	7
Turser Turizm Servis ve Ticaret A.Ş.	4	7
Nurol Enerji Üretim ve Pazarlama A.Ş.	3	3
	9.495	**11.634**

The principal activities of the consolidated companies 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.

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 31 December 2023, the Company has a 50,99% floatation rate. The Company has four completed projects open for sale in Istanbul, namely Ödül İstanbul, Nurol Tower, Nurol Life and Nurol Park.

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

The principal activities of the consolidated companies in the accompanying consolidated financial statements are summarized below:

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 the 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 Türkiye 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 has established its wholesale company and sells 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. In addition, a Solar Energy License with a power of 3,4 MW has been obtained and investment works are ongoing.

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. 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 wholesales of electrical energy and / or capacity and sales directly to eligible consumers. In accordance with the Electricity Market Law No. 4628 and the relevant legislation, the Company has obtained a wholesale license numbered ETS / 2550-9 / 1620, dated 06.05.2010 with the decision of the Energy Market Regulatory Board.

FNSS Savunma Sistemleri A.Ş. ("FNSS")

FNSS Savunma Sistemleri A.Ş. is a leading manufacturer and supplier for armoured vehicles and weapon systems for the Turkish Armed Forces. FNSS is a Turkish based joint venture between Nurol Holding A.Ş. (51%) and BAE Systems Land & Armaments L.P. ("BAE Systems") (49%).

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

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

The principal activities of the consolidated companies in the accompanying consolidated financial statements are summarized below:

FNSS Savunma Sistemleri A.Ş. ("FNSS") (Continued)

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 20.395 hectares operating and research area in Türkiye. The Company carries out refined gold and silver sales to the Central Bank of the Republic of Türkiye ("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 the 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.

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 armour 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 armour 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 ISO 9001, ISO 14001 and OHSAS 18001 System Certificates along with "National Confidential" and "NATO Confidential" Facility Security, Production Permit certificates from the Ministry of National Defence 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.

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

The principal activities of the consolidated companies in the accompanying consolidated financial statements are summarized below:

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 Defence Industries, the Company also began its activities in the field of defence 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 defence industry; 4x4 segment Armoured Combat Vehicle, Armoured 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 the field of electricity machinery, defence, 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.

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 Aviyonik 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 CAS currently has ongoing HUMS and Hürjet Control Panel Projects. The employer of the HUMS project is FNSS and the Hürjet Control Panel Projects is TUSAŞ.

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 headquarter 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.

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

The principal activities of the consolidated companies in the accompanying consolidated financial statements are summarized below:

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 which operates in the entertainment sector and 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 conducted 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 aircrafts.

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

Nurol Otelcilik ve Turizm İşletmeleri A.Ş. ("Nurol Otelcilik")

Nurol Otelcilik was welcomed to the sector with the opening of its first business Hotel Asena in Kuşadası in 1988. The headquarters of the Company is located in Ankara. Nurol Otelcilik ve Turizm İşletmeleri A.Ş. merged with Nurol Holding pursuant to the Board of Directors Decision dated 24 May 2023 and numbered 2023/10. The resolution of the Board of Directors regarding the acceptance of the merger was announced in the Turkish Trade Registry Gazette dated 14 August 2023 and numbered 10892.

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 Centre 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

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

Bosfor Turizm began to operate in 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 Bosfor Turizm became a fully owned subsidiary of Nurol Group. The Company's headquarter 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.

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

The principal activities of the consolidated companies in the accompanying consolidated financial statements are summarized below:

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 31 December 2023, 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.

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.

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

2.1 Basis of Presentation (Continued)

Functional and reporting presentation currency

The functional and reporting currency of Tümad Madencilik, Nurol Makina, FNSS, Nurol Havacılık, Nurol Solar Enerji and Nurol Teknoloji was accepted as Turkish Lira. 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 31 December 2023 and 2022, assets and liabilities have been converted into TL at the relevant buying rate of the CBRT as of the balance sheet dates.
- As of 31 December 2023 and 2022, 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 2022, on the purchasing power basis as of 31 December 2023.

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 31 December 2023.

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

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

2.1 Basis of Presentation (Continued)

Adjustment of financial statements in hyperinflationary periods (continued))

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:

Year end	Index	Index, (%)	Conversion Factor
2004	113,86	13,86	16,33041
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,40	10,22480
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,40	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,30	4,72068
2019	440,50	11,84	4,22107
2020	504,81	14,60	3,68333
2021	686,95	36,08	2,70672
2022	1.128,45	64,27	1,64773
2023	1.859,38	64,77	1,00000

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 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 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 31 December 2023.

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.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e. as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

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

2.1 Basis of Presentation (Continued)

Approval of consolidated financial statements

These consolidated financial statements as of and for the year ended 31 December 2023 have been approved for issue by the Board of Directors on 14 June 2024. The General Assembly and various regulatory authorities have the right to amend the financial statements.

Going Concern

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

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 future periods. The significant estimates used in the preparation of the consolidated financial statements for the year ended 31 December 2023 are consistent with the estimates applied in the preparation of the consolidated financial statements for the years ended 31 December 2022.

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

The consolidated financial statements of the Group are prepared comparatively 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 consolidate financial statements have been restated as of 31 December 2022.

2.4 Principles of Consolidation

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.

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

2.4 Principles of Consolidation (Continued)

Subsidiaries (continued)

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.

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 values 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 centre 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.

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

2.4 Principles of Consolidation (Continued)

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.

2.5 New and Amended Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2023 are consistent with those of the previous fiscal year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023, and thereafter. The effects of these standards and interpretations on 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, 2023, are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

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

2.6. Principles of Consolidation (Continued)

i) The new standards, amendments and interpretations which are effective as of January 1, 2023, are as follows (continued):

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

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. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

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

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

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

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. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024, with the announcement made by the POA.

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

2.6. Principles of Consolidation (Continued)

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

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

In January 2021 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 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 are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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

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. 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 amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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. 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 amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

Overall, the Group expects no significant impact on its balance sheet and equity.

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

2.6. Principles of Consolidation (Continued)

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 IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

2.7 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.

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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Inventories (continued)

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.

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

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

2.7 Summary of Significant Accounting Policies (Continued)

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.

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.

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

2.7 Summary of Significant Accounting Policies (Continued)

Intangible assets and amortization (continued)

Amortization of acquired mining licenses (continued)

Tümad Mining has 9 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

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.

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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Intangible assets and amortization (continued)

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

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

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.

The borrowing costs related to qualifying assets is 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 the real estates are recognized in the profit and loss statement in the relevant period.

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

2.7 Summary of Significant Accounting Policies (Continued)

Investment properties (continued)

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 resulted 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

- 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 conducted 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 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.

Sheraton Hotel Batumi has been revalued in 2023 with the expertise report provided by Colliers Georgia. The valuation difference between the valued amount and the recorded amount (according to the appraisal report) has been recorded under the "income from investment activities" account in the profit / loss statement in the accompanying consolidated financial statements.

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

2.7 Summary of Significant Accounting Policies (Continued)

Investment properties (continued)

Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. evaluates its investment properties annually and includes any gains or losses resulting from changes in the fair value of investment properties in the income statement when they occur.

In 2023, the Group evaluated the investment properties under Nurol İnşaat and included any gains or losses resulting from changes in the fair value of investment properties in the income statement.

Finance leases

The Group - as the lease

The Group evaluates whether a contract is a lease or contains lease terms at the inception of the contract. The Group recognizes the right-of-use asset and the related lease liability for all leases of which it is a lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognizes the lease payments as operating expense on a straight-line basis over the lease term, unless there is another systematic basis that better reflects the timing structure in which the economic benefits from the leased assets are used.

In the initial recognition, lease obligations are accounted for at the present value of the lease payments that were not paid at the contract inception date, discounted at the lease rate. If this rate is not specified beforehand, the Group uses the alternative borrowing rate to be determined by itself.

The lease payments included in the measurement of the lease liability consist of:

- fixed lease payments (substantially fixed payments) less any lease incentives,
- variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date of the lease,
- The amount of debt expected to be paid by the lessee under residual value guarantees,
- The enforcement price of the payment options, where the lessee will reasonably implement the payment options and,
- penalty payment for the cancellation of the rental if there is a right to cancel the rental during the rental period

The lease liability is presented as a separate item in the consolidated statements of financial position.

Lease liabilities are measured by increasing the net carrying amount (using the effective interest method) to reflect the interest on the subsequent lease liability and decreasing the carrying amount to reflect the lease payment made. The Group remeasures the lease liability (and makes appropriate changes to the related right-of-use asset) if:

- When the lease liability is remeasured by discounting the revised lease payments using the revised discount rate when a change occurs in the assessment of the lease term or exercise of a purchase option.

- When the lease payments change due to changes in the index, rate, or expected payment change in the promised residual value, the restated lease payments are discounted using the initial discount rate and the lease liability is remeasured (the revised discount rate is used if the change in lease payments is due to a change in the variable interest rate

- When a lease is changed and the lease modification is not accounted for as a separate lease, the revised lease payments are discounted using the revised discount rate and the lease liability is restated.

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

2.7 Summary of Significant Accounting Policies (Continued)

Finance leases (continued)

The Group - as the lease (continued

The Group has not made such changes during the periods presented in the consolidated financial statements.

Right-of-use assets include the initial measurement of the corresponding lease liability, lease payments made on or before the lease commencement date, and other direct initial costs. These assets are measured at cost less accumulated depreciation and impairment losses.

A provision is recognized in accordance with IAS 36 when the group incurs costs to disassemble and dispose of a lease asset, restore the area on which the asset is located, or restore the main asset in accordance with the terms and conditions of the lease. These costs are included in the relevant right-of-use asset unless they are incurred to produce inventory.

Right-of-use assets are depreciated over the shorter of the lease term and useful life of the main asset. When ownership of the main asset is transferred in a lease or when the Group plans to exercise a purchase option based on the cost of the right-of-use asset, the associated right-of-use asset is depreciated over the useful life of the main asset. Depreciation begins on the date the lease actually begins.

Group - as a lessor

The Group, as a lessor, signs lease agreements for some of its investment properties.

Leases in which the Group is the lessor are classified as finance leases or operating leases. The contract is classified as a finance lease if, according to the terms of the lease, all the ownership risks and rewards are transferred to the lessee to a significant extent. All other leases are classified as operating leases.

If the Group is the lessor of the vehicle, it accounts for the main lease and the sublease as two separate contracts. A sublease is classified as a finance lease or an operating lease with respect to the right-of-use asset arising from the main lease.

Rental income from operating leases is accounted for using the straight-line method over the relevant lease period. The direct initial costs incurred in realizing and negotiating the operating lease are included in the cost of the leased asset and amortized on a straight-line basis over the lease term.

Finance lease receivables from lessees are accounted for as receivables for the Group's net investment in leases.

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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

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.

(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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(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.

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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial liabilities (continued)

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 Group 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.

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.

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 rediscount is recorded for interest expense. 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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Advances and loans given to customers (continued)

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.

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.

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

2.7 Summary of Significant Accounting Policies (Continued)

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.
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.) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transaction with related party is a transfer of resources, services or liabilities between the reporting entity and the related party, disregarding 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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

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 over time 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.

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.

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."

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

2.7 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

Income from construction contracts

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.

Service revenues

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

Electricity sales revenue

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

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 labour costs and those indirect costs related to contract performance, such as indirect labour, 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 les 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 cost and deferred revenue are subsequently recognized in the income statement based on 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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

Ballistic and armour 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.

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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

Explanations on interest income and expense

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.

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, which 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 189.449 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 31 December 2023 (Note 18).

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

2.7 Summary of Significant Accounting Policies (Continued)

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 Türkiye 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.

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.

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

2.7 Summary of Significant Accounting Policies (Continued)

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.

	31 December 2023	31 December 2022
USD	29,4382	18,6983
EURO	32,5739	19,9349
GBP	37,4417	22,4892
DZD (Algerian Dinar)	0,21964	0,1364
GEL (Georgian Lari)	10,9616	6,9444
AED (Arab Emirates Dirham)	7,9704	5,0627
RON (Romanian Leu)	6,5113	4,0062

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 attaching 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.

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

2.7 Summary of Significant Accounting Policies (Continued)

Employee benefits (Continued)

The main assumptions used as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Discount rate	25,05%	22,20%
Annual inflation rate	21,41%	19,90%

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.

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.

Current tax

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.

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

2.7 Summary of Significant Accounting Policies (Continued)

Taxes calculated on corporate income and deferred tax (continued)

Deferred tax

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.

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.

2.8 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.

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

2.8 Use of Estimates (Continued)

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:

a) 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

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

c) 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.

d) 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

e) 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.

f) 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.

g) 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 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 31 December 2023 unless otherwise expressed)

4. Segment Reporting

31 December 2023 and 2022, details of the Group's total assets and total liabilities by segment is as follows:

31.12.2023	Holding	Construction and Real Estate	Energy	Defence	Service	Tourism	Mining	Finance (Bank)	Eliminations	Total
Total assets	28.195.931	55.731.986	7.053.070	26.168.166	762.032	1.545.171	17.494.699	30.946.083	(33.723.382)	134.173.756
Total liabilities	28.195.931	55.731.986	7.053.070	26.168.166	762.032	1.545.171	17.494.699	30.946.083	(33.723.382)	134.173.756

31.12.2022	Holding	Construction and Real Estate	Energy	Defence	Service	Tourism	Mining	Finance (Bank)	Eliminations	Total
Total assets	25.921.089	50.723.802	7.160.019	31.981.318	968.721	1.990.233	18.206.159	28.799.469	(29.159.157)	136.591.653
Total liabilities	25.921.089	50.723.802	7.160.019	31.981.318	968.721	1.990.233	18.206.159	28.799.469	(29.159.157)	136.591.653

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

4. Segment Reporting (Continued

31 December 2023, details of the Group's income statement by segment is as follows:

1 January – 31 December 2023	**Holding**	**Construction and Real Estate**	**Energy**	**Defence**	**Service**	**Tourism**	**Mining**	**Finance (Bank)**	**Eliminations**	**Total**
Revenue	334.786	14.617.644	1.405.312	8.628.004	148.286	571403	10.655.418	--	(1.528.998)	34.831.855
Finance sector operating income	--	--						8.231.834	(711.317)	7.520.517
Cost of sales (-)	(315.515)	(11.590.767)	(1.191.980)	(6.656.271)	(155.763)	(356.079)	(4.671.288)	--	1.099.099	(23.838.564)
Finance sector operating cost (-)	--	--						(2.545.630)		(2.545.630)
Gross profit	**19.271**	**3.026.877**	**213.332**	**1.971.733**	**(7.477)**	**215.324**	**5.984.130**	**5.686.204**	**(1.141.216)**	**15.968.178**
Operating expenses (-)	(56.172)	(1.199.720)	(57.261)	(1.081.221)	(20.549)	(95.834)	(450.515)	(1.121.711)	429.899	(3.653.084)
Other operating income / (expenses), net	(1.046.407)	(136.768)	(5.814)	1.730	(3.431)	14.934	(176.852)	221.072		(1.131.536)
Operating profit/(loss)	**(1.083.308)**	**1.690.389**	**150.257**	**892.242**	**(31.457)**	**134.424**	**5.356.763**	**4.785.565**	**(711.317)**	**11.183.558**
Shares from profit / (loss) from investments revalued with the equity method	--	11.461.825	--	--	--	--	--	--	--	11.461.825
Income /(expenses) from investing activities, net	6.095	5.880.184	56	(1.009)	312	16.504	3.045	(6.032)		5.899.155
Financial income /(expenses), net	(1.865.037)	(11.308.203)	312.317	(2.083.167)	(23.836)	314.938	(742.114)	(2.795.766)	711.317	(17.479.551)
Profit/(loss) before tax from continued operations	**(2.942.250)**	**7.724.195**	**462.630**	**(1.191.934)**	**(54.981)**	**465.866**	**4.617.694**	**1.983.767**	**--**	**11.064.987**
Tax (expense) for the year	--	(78.353)	--	(26.896)	(4.304)	(267)	(991.690)	(1.134.616)		(2.236.126)
Deferred tax income/(expense)	28.594	(562.326)	(28.919)	905.884	(16.096)	(62.363)	(41.103)	--		223.671
Net profit/(loss) from continued operations	**(2.913.656)**	**7.083.516**	**433.711**	**(312.946)**	**(75.381)**	**403.236**	**3.584.901**	**849.151**	**--**	**9.052.532**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

4. Segment Reporting (Continued))

31 December 2022, details of the Group's income statement by segment is as follows:

1 January – 31 December 2022	Holding	Construction and Real Estate	Energy	Defence	Service	Tourism	Mining	Finance (Bank)	Eliminations	Total
Revenue	292.962	16.905.347	2.455.201	11.947.226	150.991	469.555	10.893.678	--	(1.758.022)	41.356.938
Finance sector operating income	--	--						5.595.827	(707.891)	4.887.936
Cost of sales (-)	(286.451)	(13.128.927)	(2.005.644)	(7.896.780)	(169.843)	(331.722)	(4.457.544)	--	1.324.212	(26.952.699)
Finance sector operating cost (-)	--	--	--	--	--	--	--	(1.823.525)	--	(1.823.525)
Gross profit	**6.511**	**3.776.420**	**449.557**	**4.050.446**	**(18.852)**	**137.833**	**6.436.134**	**3.772.302**	**(1.141.701)**	**17.468.650**
Operating expenses (-)	(60.958)	(2.269.175)	(44.047)	(950.616)	(18.115)	(89.356)	(468.812)	(480.008)	433.809	(3.947.278)
Other operating income / (expenses), net	258	1.341	(34.894)	(148.856)	(2.885)	(2.300)	159.930	(60.236)	--	(87.642)
Operating profit/(loss)	**(54.189)**	**1.508.586**	**370.616**	**2.950.974**	**(39.852)**	**46.177**	**6.127.252**	**3.232.058**	**(707.892)**	**13.433.730**
Shares from profit / (loss) from investments revalued with the equity method	--	11.793.636	--	--	--	--	--	--	--	11.793.636
Income /(expenses) from investing activities, net	58.009	3.094.529	633	33.146	180	720.605	17.746	63.207	--	3.988.055
Financial income /(expenses), net	939.368	(6.907.055)	1.279.762	(5.608.152)	(61.386)	(1.885.454)	(540.399)	(3.564.989)	707.892	(15.640.413)
Profit/(loss) before tax from continued operations	**943.188**	**9.489.696**	**1.651.011**	**(2.624.032)**	**(101.058)**	**(1.118.672)**	**5.604.599**	**(269.724)**	**--**	**13.575.008**
Tax (expense) for the year	--	--	(241)	(7.449)	(4.152)	--	(377.229)	(698.603)	--	(1.087.674)
Deferred tax income/(expense)	52.767	(377.912)	(267.039)	781.556	(8.164)	(172.188)	625.287	--	--	634.307
Net profit/(loss) from continued operations	**995.955**	**9.111.784**	**1.383.731**	**(1.849.925)**	**(113.374)**	**(1.290.860)**	**5.852.657**	**(968.327)**	**--**	**13.121.641**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

5. Related Party Disclosures

a) Current trade receivables from related parties	31.12.2023	31.12.2022
Nurol Grup Elektrik Toptan Satış A.Ş.	34.344	97.977
Otoyol İşletme ve Bakım A.Ş.	11.078	20.325
Otoyol Yatırım ve İşletme A.Ş.	10.035	14.006
Industriekeramik Hochrhein GmbH	2.476	--
SGO İnşaat Sanayi ve Ticaret A.Ş.	2.432	290
Çarmıklı Family	1.080	13.294
Nurol Tower Site Yönetimi	460	868
Çarmad Madencilik Sanayi ve Ticaret Ltd. Şti.	313	262
Other	436	366
	62.654	**147.388**

b) Non-current trade receivables from related parties	31.12.2023	31.12.2022
Otoyol Yatırım ve İşletme A.Ş.	2.954	11.730
	2.954	**11.730**

c) Current trade payables to related parties	31.12.2023	31.12.2022
Nurol Grup Elektrik Toptan Satış A.Ş.	18.361	95.443
SGO İnşaat Sanayi ve Ticaret A.Ş.	15.701	89.343
Other	5	12
	34.067	**184.798**

d) Other current receivables from related parties	31.12.2023	31.12.2022
Nurol Technology Germany GmbH	344.998	--
Nurol Technology USA, LLC	11.072	--
Çarmıklı Family	4.601	1.114.188
Nurol Makina UK LTD.	3.846	--
SGO İnşaat Sanayi ve Ticaret A.Ş.	237	--
Other	63	280
	364.817	**1.114.468**

e) Other non-current receivables from related parties	31.12.2023	31.12.2022
Otoyol Yatırım ve İşletme A.Ş.	168.083	155.121
	168.083	**155.121**

f) Other current payables to related parties	31.12.2023	31.12.2022
Çarmıklı Family	38.903	40
Otoyol Yatırım ve İşletme A.Ş.	1.742	122
Other	245	27
	40.890	**189**

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5. Related Party Disclosures (Continued)

g) Other non-current payables to related parties	**31.12.2023**	**31.12.2022**
Nurol Grup Elektrik Toptan Satış A.Ş.	16.566	--
BAE Systems (Operations) Limited	--	1.541
	16.566	**1.541**

6. Cash and Cash Equivalents

	31.12.2023	**31.12.2022**
Cash on hand	498.876	20.490
Cash at banks		
- demand deposit	2.778.263	3.377.270
- time deposit	805.617	1.609.222
- blocked deposit	90.278	50.605
Due from banks and financial institutions	4.735.586	4.451.581
Central Bank deposit reserve (*)	1.608.475	4.011.206
Tümad blocked deposit	--	347.089
Currency protected deposits	39.455	1.005.665
Reverse repo transactions (**)	1.137	624.646
Credit card receivables	29.740	18.223
	10.587.427	**15.515.997**

(*) The relevant balance pertains to Nurol Gayrimenkul's foreign exchange-protected deposit account, with a maturity date of March 28, 2024, and an annual interest rate of 36.15%.

(**) As of December 31, 2023, Nurol GYO's receivables from reverse repo transactions amount to 1,137 thousand TL. The interest rate for the reverse repo is 40%. The total accrued interest for term deposits and reverse repo is 536 thousand TL. (As of December 31, 2022: Nurol GYO: 79,046 thousand TL, Nurol Bank: 300,049 thousand TL).

The details of the banks on a company basis as of December 31, 2023, and 2022, are as follows

	31.12.2023	**31.12.2022**
Tümad Madencilik	1.066.950	1.120.832
Nurol İnşaat	1.002.650	1.933.744
Nurol Holding	785.489	269.275
FNSS	455.765	590.368
Nurol Gayrimenkul	105.477	255.815
Nurol Makina	100.663	954.347
Nurol Teknoloji	87.785	169.668
Turser	18.742	16.762
Nurol Havacılık	11.822	4.187
Nurol Göksu	10.302	16.304
Nurol CAS	2.722	9.351
Enova Toptan	1.801	23.238
Enova Enerji	66	928
Other	23.924	19.367
	3.674.158	**5.384.186**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

7. Trade Receivables and Payables

	31.12.2023	**31.12.2022**
Current trade receivables		
Construction Group		
- Nurol Algeria Branch	1.756.792	1.406.250
- Nurol LLC	438.573	427.375
- Nurol İnşaat ve Ticaret A.Ş.	396.122	271.498
- Nurol Romania Branch	102.957	105.692
- Nurol Yüksel YDA Özka Joint Venture	46.273	4.376
- Nurol Gülermak Makyol Joint Venture	39.965	126.331
- Gülsan Nurol Joint Venture	14.301	1.056
- Nurol Mesa Joint Venture	10.503	3.699
- Nurol Georgia Branch	8.505	8.097
- Özgün Nurol Joint Venture	--	75.240
- Nurol Gülermak Joint Venture	--	1.050
Holding Group		
- FNSS	886.319	764.561
- Nurol Makina	462.415	941.298
- Nurol Teknoloji	252.262	132.293
- Turser Turizm	30.708	19.114
- Nurol Solar Enerji	25.164	11.552
- Enova Toptan Satış	19.873	47.797
- Bosfor Turizm	11.021	14.241
- Nurol GYO	9.005	14.802
- Botim İşletme	4.963	7.220
- Nurol CAS	1.182	2.116
- Nurol Holding	213	155
Current trade receivables from related parties (Note 5)	62.654	147.388
Other trade receivables	15.460	12.698
Notes receivable (*)	28.065	11.320
Doubtful trade receivables	36.434	39.651
Provision for doubtful trade receivables (-)	(36.434)	(39.651)
	4.623.295	**4.557.219**

(*) As of 31 December 2023, TL 700 thousand of the notes receivables is comprised units sold within the scope of Nurol Tower projects of Nurol Gayrimenkul and TL 27.365 thousand is comprised of Nurol İnşaat's sales of Yeşilyaka and Zekeriyaköy villas.

	31.12.2023	**31.12.2022**
Non-current trade receivables		
Non-current trade receivables from related parties (Note 5)	2.954	11.730
	2.954	**11.730**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

7. Trade Receivables and Payables (Continued)

	31.12.2023	**31.12.2022**
Current trade payables		
Construction Group		
- Nurol İnşaat ve Ticaret A.Ş.	498.945	348.857
- Nurol LLC	1.257.542	1.437.902
- Nurol Algeria Branch	490.018	2.324.292
- Nurol Gülermak Makyol Joint Venture	218.098	199.873
- Nurol Romania Branch	100.701	338.572
- Nurol Yüksel YDA Özka Joint Venture	52.360	300
- Nurol Georgia	22.011	10.715
- Gülsan Nurol Joint Venture	8.501	15.713
- Nurol Mesa Joint Venture	3.559	4.912
- Özgün Nurol Joint Venture	796	39.033
- Nurol Gülermak Joint Venture	--	8.275
- Nurol Yüksel YDA Özka Joint Venture	--	363
Holding Group		
- FNSS	3.535.708	3.644.877
- Nurol Makina	763.991	1.162.849
- Tümad Madencilik	388.517	145.836
- Nurol GYO	277.231	13.525
- Nurol Teknoloji	162.754	266.461
- Nurol Sigorta	64.306	81.991
- Turser Turizm	22.874	35.652
- Bosfor Turizm	13.214	14.680
- Enova Enerji	11.916	10.513
- Nurol Holding	10.124	12.561
Current accounts of credit customers (Nurol Bank)	12.010.544	3.863.752
Trade payables to related parties (Note 5)	34.067	184.798
Other trade payables	9.341	40.961
Notes payable	30.170	16.260
	19.987.288	**14.223.523**

	31.12.2023	**31.12.2022**
Non-current trade payables		
Nurol İnşaat trade payables (*)	3.453.352	3.324.409
	3.453.352	**3.324.409**

(*) Long-term 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 31 December 2023 unless otherwise expressed)

8. Financial Investments

Current	31.12.2023	31.12.2022
Stock shares	3.872	22.081
Eurobond (*)	79.632	--
	83.504	**22.081**

(*) Nurol GYO holds a debt security issued by the Turkish Treasury Undersecretariat, with a nominal value of USD 2.200 thousand, a coupon rate of 6.35%, and a maturity date of 10 August 2024.

9. Receivables From Financial Sector Activities

Current	31.12.2023	31.12.2022
Financial leasing receivables	160.526	791.683
Current loan receivables	4.944.522	3.883.900
Assets held for sale	90.325	525.181
Held for sale trading investments – Nurol Bank		
- Turkish government bonds -TL	62.055	100.741
Held for sale – Nurol Bank		
Borrowing instruments - TL (*)	5.981.755	10.470.844
Equity instruments	55.873	29.517
Expected credit loss (-) (**)	(7.753)	(12.580)
	11.287.303	**15.789.286**

Non-current	31.12.2023	31.12.2022
Non-current loan receivables	5.924.293	1.470.088
Receivables from other financial operations	1.557.127	1.497.897
	7.481.420	**2.967.985**

(*) The portion of financial assets at fair value through other comprehensive income consists of TL 1.303.873 (31 December 2022: TL 1.953.498) in government bonds denominated in TL, TL 672.025 (31 December 2022: TL 4.239.243) in bank bills, and TL 3.998.104 (31 December 2022: TL 4.265.523) in private sector securities.

(**) The Group calculates the expected credit loss for financial assets at fair value through other comprehensive income in accordance with IFRS 9. As of 31 December 2023, the adjusted expected credit loss calculated for financial assets at fair value through other comprehensive income is TL 7.753 (31 December 2022: TL 12.580)

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10. Financial Liabilities

Current financial liabilities	**31.12.2023**	**31.12.2022**
Current bank borrowings	16.301.668	19.211.294
Financial lease payables	214.984	268.774
Interest accruals	329.906	269.305
Total current financial liabilities	**16.846.558**	**19.749.373**

Non-current financial liabilities	**31.12.2023**	**31.12.2022**
Non-current bank borrowings	14.104.411	19.870.836
Financial lease payables	276.390	203.409
Total non-current financial liabilities	**14.380.801**	**20.074.245**
Total financial liabilities	**31.227.359**	**39.823.618**

As of 31 December 2023 and 2022 details of current and non-current financial liabilities are as follows:

	Average interest	**Foreign Currency**	**TL Equivalent**	**Foreign Currency**	**TL Equivalent**
Current	**rate %**	**31.12.2023**		**31.12.2022**	
Bank loans					
- TL	12,22-59,52	1.993.512	1.993.512	3.563.891	3.563.891
- USD	6,82 - 15,41	399.902	11.772.406	459.857	14.168.062
- EUR	9,75-15,50	69.233	2.255.174	32.819	1.078.012
Nurol LLC loans (AED)		48.256	384.617	35.074	401.329
Financial lease payables					
- EUR		416	13.542	5.669	186.203
- USD		1.760	51.811	1.763	54.329
- TL		45.590	45.590	28.242	28.242
Interest accruals			329.906		269.305
			16.846.558		**19.749.373**
Non-current					
Bank loans					
- TL	12,72	141.048	141.048	117.543	117.543
- USD	6,82 – 15,41	94.443	2.780.240	213.754	6.585.692
- EUR	6,13-12,88	80.550	2.623.829	104.000	3.416.122
Nurol LLC loans (AED)		89.280	711.595	62.816	718.767
Georgia loans (GEL)		30.125	330.217	29.919	342.352
Financial lease payables					
- EUR		--	--	405	12.486
- USD		21.005	618.363	5.365	176.233
- TL		159.848	159.848	14.690	14.690
Reclassified financial liabilities (*)					
- TL	22,61	1.770.030	1.770.030	3.057.113	3.057.113
- USD	6,82	131.612	3.874.433	100.241	3.088.390
- EUR	6,13	42.095	1.371.198	77.475	2.544.857
			14.380.801		**20.074.245**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 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) the 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:

	31.12.2023	**31.12.2022**
Within 1 year	16.846.558	19.749.373
1 - 2 years	8.270.817	13.610.119
2 - 3 years	4.474.367	5.396.185
3 - 4 years	1.587.288	967.878
4 - 5 years	24.212	53.864
5 - 6 years	24.117	28.753
6 - 7 years	--	17.446
	31.227.359	**39.823.618**

Debt Securities Issued

a) Current debt securities and bonds issued

	31.12.2023	**31.12.2022**
Bank bills	2.012.465	3.877.720
Bonds issued	778.532	921.465
	2.790.997	**4.799.185**

b) Non-current debt securities and bonds issued

	31.12.2023	**31.12.2022**
Bonds issued	2.680.000	3.756.823
Subordinated loans (*)	--	154.532
	2.680.000	**3.911.355**

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10. Financial Liabilities (Continued)

Debt Securities Issued (continued)

The non-redemption of the issues made by the Group as of 31 December 2023 are listed below;

Issue Type	*Issue Date*	*Due Date*	*Nominal Value*	*Interest Rate*
Nurol Yatırım Bankası				
Bills	27.06.2022	28.06.2024	50.000	14.25%
Bills	5.07.2022	8.07.2024	50.000	15.75%
Bills	26.07.2022	29.07.2024	300.000	16.50%
Bills	13.09.2022	18.09.2024	50.000	17.50%
Bills	18.01.2023	21.01.2025	200.000	14.00%
Bills	20.01.2023	22.08.2024	40.000	17.00%
Bills	20.01.2023	31.10.2024	120.000	18.00%
Bonds	29.08.2023	21.02.2024	150.000.000	31.00%
Bonds	6.09.2023	4.01.2024	150.000.000	35.00%
Bonds	12.09.2023	10.01.2024	150.000.000	36.50%
Bonds	13.09.2023	10.01.2024	215.000.000	36.00%
Bonds	5.10.2023	8.02.2024	35.000.000	40.00%
Bonds	12.10.2023	16.01.2024	200.000.000	40.00%
Bonds	13.10.2023	18.01.2024	200.000.000	40.00%
Bonds	18.10.2023	31.01.2024	120.000.000	40.00%
Bonds	24.10.2023	16.02.2024	200.000.000	40.00%
Bonds	31.10.2023	6.02.2024	200.000.000	42.00%
Bonds	3.11.2023	13.02.2024	150.000.000	42.00%
Bonds	10.11.2023	8.05.2024	150.000.000	40.00%
Bonds	21.11.2023	27.02.2024	200.000.000	42.00%
Bonds	30.11.2023	1.03.2024	200.000.000	45.00%
Bonds	7.12.2023	26.03.2024	200.000.000	46.00%
Bonds	13.12.2023	13.03.2024	300.000.000	46.00%
Bonds	19.12.2023	19.03.2024	250.000.000	46.00%
Bonds	27.12.2023	29.03.2024	50.000.000	46.00%
Nurol Holding				
Bonds	16.03.2022	12.03.2025	100.000	29,75%
Bonds	23.06.2022	19.06.2025	80.000	35,00%
Nurol İnşaat				
Bonds	30.12.2021	15.01.2027	1.400.000	49,75%
Bonds	31.05.2022	23.05.2025	100.000	26,50%
Bonds	8.12.2022	4.12.2025	600.000	39,50%
Bonds	28.11.2023	25.02.2025	400.000	49,75%

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

11. Funds Borrowed

	31.12.2023	31.12.2022
Funds borrowed	4.555.826	11.195.214
Obligations under repurchase agreements	4.434.551	3.903.362
	8.990.377	**15.098.576**

12. Other Receivables and Payables

Other current receivables	**31.12.2023**	**31.12.2022**
Due from related parties (Note 5)	364.817	1.114.468
Advances given to personnel	25.357	23.564
Deposits and guarantees given		
Construction Group		
- Nurol LLC	765.007	467.097
- Nurol Romania Branch	42.875	283.713
- Nurol Gülermak Makyol Joint Venture	126	208
Holding Group		
- Nurol Teknoloji	704	224
- Nurol Makina	96	343
- Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	--	15
- Other *Deposits and guarantees given*	133	185
Other doubtful receivables		
- Nurol Holding	320	527
- Nurol İnşaat	1.586	2.625
- Other Group Companies	36	94
Provision for doubtful other receivables (-)	(1.942)	(3.246)
Other	30.924	39.755
	1.230.039	**1.929.572**

Other non-current receivables	**31.12.2023**	**31.12.2022**
Non-current receivables from related parties (Note 5)	168.083	155.121
Deposits and guarantees given	2.462.329	975.540
	2.630.412	**1.130.661**

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12. Other Receivables and Payables (Continued)

Other current payables	**31.12.2023**	**31.12.2022**
Due to related parties (Note 5)	40.890	189
Deposits and guarantees received	155.716	80.752
Other payables (*)	427.321	543.985
Other (**)	963.445	566.728
	1.587.372	**1.191.654**

Other non-current payables	**31.12.2023**	**31.12.2022**
Deposits and guarantees received	75.202	39.167
Other payables (*)	2.024.907	2.184.615
	2.100.109	**2.223.782**

(*) 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.

(**) Group's other receivables are comprised of TL 64.775 from Nurol Yatırım Bankası leasing obligations and TL 893.189 from various other debts.

13. Inventories

	31.12.2023	**31.12.2022**
Raw materials		
- FNSS	931.464	592.724
- Nurol Makina (*)	1.625.324	1.631.618
- Nurol İnşaat (***)	151.675	241.232
- Nurol Teknoloji (****)	311.251	278.427
- Tümad (*****)	930.052	843.267
Semi-finished goods		
- Nurol İnşaat (***)	282.907	503.884
- Nurol Makina (*)	1.005.859	601.461
- Nurol Teknoloji (****)	187.645	107.102
- Tümad (*****)	773.385	631.673
Subtotal	**6.199.562**	**5.431.388**

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13. Inventories (Continued)

	31.12.2023	31.12.2022
Subtotal	**6.199.562**	**5.431.388**
Finished goods		
- Nurol İnşaat (***)	136.527	697.461
- Nurol Makina (*)	719.754	228.150
- Nurol Teknoloji (****)	148.381	254.778
- Tümad	2.285	1.219
Trade goods		
- Turser Turizm	5.199	4.571
- Solar Enerji	--	1.455
- Other Group Companies	21.429	18.403
- Nurol Gayrimenkul trade goods (**)	542.637	233.246
Other inventories		
- Tümad	818.804	706.248
- Nurol İnşaat (***)	2.548	4.198
- Nurol Makina (*)	64.505	78.068
- Nurol Teknoloji	36.372	28.254
- Other Group Companies	22.302	9.697
	8.720.305	**7.697.136**

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

(**) TL 542.637 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:

	31.12.2023	31.12.2022
Ödül İstanbul Project	336.129	--
Nurol Life Project	127.092	125.716
Nurol Tower Project	79.416	101.637
Nurol Park Project	--	5.893
	542.637	**233.246**

As of 31 December 2023, there is a mortgage in the amount of TL 1.800.000 thousand on Nurol GYO's construction projects (31 December 2022: TL 1.318.183 thousand).

(***) 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. TL 30.105 thousand of Nurol İnşaat's other stocks balance consists of asphalt, aggregate and filling materials within the scope of the Nusfalau - Suplacu de Barcau Highway construction work undertaken by the Romanian Branch.

(****) The raw materials of Nurol Teknoloji are mainly comprised of boron carbide, silicon carbide, alumina, special ballistic fabric and armour steel used for the production of ballistic vest, ballistic plate, ballistic shield, armoured cabin and visor products. Its finished goods on the other hand, consist of ballistic armour solutions such as ballistic vest, ballistic plate, ballistic shield, armoured 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	**31.12.2023**	**31.12.2022**
Order advances given for inventories:		
- FNSS	704.922	791.261
- Nurol Makina	88.680	341.868
- Nurol Teknoloji	94.883	88.167
- Nurol İnşaat ve Ticaret A.Ş.	65.880	90.721
- Nurol Gayrimenkul	4.918	10.750
- Other	14.373	47.552
Prepaid expenses (*)	647.521	315.661
	1.621.177	**1.685.980**

Prepaid expenses in non-current assets	**31.12.2023**	**31.12.2022**
Order advances given for property, plant and equipment	7.009	33
Prepaid expenses (*)	154.713	21.236
	161.722	**21.269**

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

Current deferred income	**31.12.2023**	**31.12.2022**
Deferred income		
- Nurol Teknoloji	6.246	4.451
- Turser Turizm	5.054	4.025
- Nurol Gayrimenkul	4.123	3.791
- Nurol İnşaat	151	7.774
- Other	884	466
Advances received		
- Nurol Makina	2.630.854	1.483.599
- FNSS	746.561	2.067.744
- Nurol İnşaat	500.579	108.206
- Nurol Teknoloji	193.134	150.406
- Nurol Gayrimenkul	179.008	100.362
- Solar	15.531	17.398
- Turser Turizm	9.458	9.549
- Enova	251	3
Advances Received from related parties (Not 5)	16.566	1.541
Other advances received	2.605	50
	4.311.005	**3.959.365**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

14. Prepaid Expenses and Deferred Income (Continued)

Non-current deferred income	31.12.2023	31.12.2022
Deferred income		
- Turser Turizm	254	1.045
Advances received		
- Nurol İnşaat	419.863	544.815
- Nurol Makina	167.801	175.616
- FNSS	28.897	1.766.896
Other advances received	--	801
	616.815	**2.489.173**

15. Receivables and Payables from Ongoing Construction and Project Contracts

a) ***Receivables from construction contracts***

	31.12.2023		31.12.2022	
	Receivables from Construction Contracts	Payables Related to Construction Contracts	Receivables from Construction Contracts	Payables Related to Construction Contracts
Nurol LLC project	671.137	111.966	1.343.479	466.648
Silifke Mut Road Project (Nurol İnşaat	221.188	--	226.871	--
İzmir Çiğli Tram Line (Nurol İnşaat)	208.336	--	553.527	--
Ümraniye-Ataşehir-Göztepe Subway (Nurol Gülermak Joint Venture)	151.242	--	--	14.853
The project for the Pet Dry Animal Food Factory (Nurol Construction))	111.438	--	--	--
TUSAŞ-B557 Manufacturing and R&D Building	91.850	--	--	--
TUSAŞ-B1070 Testing Building (Nurol İnşaat)	30.549	--	--	--
Yusufeli Group Dam Bridges Construction (Gülsan Nurol Joint Venture)	8.153	--	11.981	--
Ordu Highway landslide reclamation supply works	6.474	--	--	--
Algeria Branch Project	--	--	320.371	--
	1.500.367	**111.966**	**2.456.229**	**481.501**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

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

FNSS	**31.12.2023**	**31.12.2022**
Ongoing project contract revenue	20.592.063	32.337.321
Expected Gain	3.529.234	11.176.829
Less: Loss provision for ongoing project contracts	(1.737.808)	--
Less: Total invoiced progress payment at the end of the period	(16.293.041)	(30.160.991)
	6.090.448	**13.353.159**

Nurol Makina	**31.12.2023**	**31.12.2022**
Ongoing project contract revenue	14.139.459	11.962.535
Less: Total invoiced progress payment at the end of the period	(11.480.990)	(10.154.830)
Total	**2.658.469**	**1.807.705**

16. Investments

	31.12.2023	**31.12.2022**
Otoyol Deniz Taşımacılığı A.Ş.	11.599	11.598
Otoyol İşletme ve Bakım A.Ş.	8.765	8.766
Nurol Technology USA LLC	4.705	3.378
Nurol Makina UK LTD.	2.752	--
Binom Highend Mühendislik A.Ş.	1.250	2.060
Bahçeşehir Gaz Dağıtım A.Ş.	765	799
Enom Elektrikli Araç Sarj Sistemleri ve E Ticaret A.Ş.	579	--
Nurol Technology Germany GmbH	794	--
Nurol Grup Elektrik Toptan Satış A.Ş.	204	204
Nurol Construction S.A.	204	--
Nurol Eğitim Kültür ve Spor Vakfı	164	183
Nurol Makina Hungary Branch	121	199
Finanscorp P.L.C.	70	69
Nurol Hava Taşımacılığı A.Ş.	4	4
Çarmad Madencilik San ve Tic Ltd. Şti.	--	20
	31.976	**27.280**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

17. Investments Recognized Using the Equity Method

	31.12.2023	**31.12.2022**
Otoyol Yatırım ve İşletme A.Ş.	29.004.929	28.920.593
FNSS Middle East Co Ltd.	14.164	14.823
	29.019.093	**28.935.416**

As of 31 December 2023, recorded value of Otoyol Yatırım İşletme A.Ş., which has been valued using the equity method and 25.95% (31 December 2022: 25.95%) of the shares are owned by the Group, USD 3.796.848 thousand (31 December 2022: USD 3.617.278 thousand) as of 31 December 2023, total equity is TL 29.004.929 thousand (31 December 2022: TL 28.920.593 TL).

As of 31 December 2023, and 2022, profit share of investments of the Group recognized using the equity method is TL 11.461.825 thousand and TL 11.793.636 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

	31.12.2023	**31.12.2022**
Otoyol Yatırım ve İşletme A.Ş.	189.449	189.449
	189.449	189.449

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 2.7 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 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 31 December 2023 and 2022 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 189.449 thousand has been paid.

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19. Property, Plant and Equipment

a) Other Property, Plant and Equipment

	31.12.2022	Additions	Disposals	Revaluation (*)	Foreign currency translation differences	Transfer	31.12.2023
Cost							
Land	437.947	908	(393)	--	(55.441)	--	383.021
Land improvements	1.406.650	18.390	(36)	--	(203.880)	5.711	1.226.835
Buildings	7.763.071	119.814	(23.283)	(1.041)	(890.746)	(13.504)	6.954.311
Leasehold improvements	67.079	719	(116)	--	(1.898)	--	65.784
Machinery and equipment	14.469.878	366.460	(293.817)	--	(667.575)	171.707	14.046.653
Motor vehicles	1.985.022	50.600	(25.690)	--	(143.077)	--	1.866.855
Fixtures and fittings	2.489.273	122.088	(9.615)	--	199.736	(2.604)	2.798.878
Other property, plant and equipment	2.672.375	80.603	--	--	179.326	--	2.932.304
Construction in progress	389.724	149.408	(62.628)	--	(96.461)	(195.489)	184.554
	31.681.019	**908.990**	**(415.578)**	**(1.041)**	**(1.680.016)**	**(34.179)**	**30.459.195**
Accumulated depreciation (-)							
Land improvements	516.175	48.314	(24)	--	(11.327)	--	553.138
Buildings	2.536.862	214.585	(7.433)	--	43.661	881	2.788.556
Leasehold improvements	31.631	6.677	(116)	--	5.506	--	43.698
Machinery and equipment	6.176.112	559.209	(262.249)	--	620.748	--	7.093.820
Motor vehicles	886.061	28.881	(20.057)	--	97.457	--	992.342
Fixtures and fittings	1.773.667	105.745	(9.336)	--	409.381	--	2.279.457
Other property, plant and equipment	2.238.286	65.375	--	--	399.944	--	2.703.605
	14.158.794	**1.028.786**	**(299.215)**	**--**	**1.565.370**	**881**	**16.454.616**
Net Book Value	**17.522.225**						**14.004.579**

(*) Nurol Gayrimenkul Yatırım Ortaklığı has revalued its buildings as of 31 December 2023.

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19. Property, Plant and Equipment (Continued)

a) Other Property, Plant and Equipment (Continued)

	31.12.2021	Additions	Disposals	Revaluation (Nurol LLC)	Foreign currency translation differences	Exclusion from consolidation	Transfer	31.12.2022
Cost								
Land	320.051	--	--	--	117.896	--	--	437.947
Land improvements	1.006.223	32.146	(48)	--	368.329	--	--	1.406.650
Buildings	5.354.074	527.519	(26.682)	--	1.895.415	(2.313)	15.058	7.763.071
Leasehold improvements	60.647	386	(9.110)	--	15.156	--	--	67.079
Machinery and equipment	12.287.796	237.320	(478.729)	--	2.216.324	(1.728)	208.895	14.469.878
Motor vehicles	1.540.906	46.355	(20.452)	--	423.486	--	(5.273)	1.985.022
Fixtures and fittings	1.974.288	257.467	(136.462)	--	387.083	(3.505)	10.402	2.489.273
Other property, plant and equipment	2.089.377	83.817	(57.058)	--	550.963	--	5.276	2.672.375
Construction in progress	105.027	420.183	(2.561)	--	68.523		(201.448)	389.724
	24.738.389	**1.605.193**	**(731.102)**	**--**	**6.043.175**	**(7.546)**	**32.910**	**31.681.019**
Accumulated depreciation (-)								
Land improvements	310.831	64.410	(12)	--	140.946	--	--	516.175
Buildings	1.544.501	291.338	(6.670)	--	713.859	(2.313)	(3.853)	2.536.862
Leasehold improvements	27.627	8.272	(9.110)	--	4.828	--	14	31.631
Machinery and equipment	4.636.766	593.271	(543.944)	208.411	1.286.039	(1.351)	(3.080)	6.176.112
Motor vehicles	642.348	72.875	(48.596)	43.309	170.231	--	5.894	886.061
Fixtures and fittings	1.417.402	111.708	(125.136)	--	365.519	(545)	4.719	1.773.667
Other property, plant and equipment	1.756.622	95.263	(57.058)	--	448.422	--	(4.963)	2.238.286
	10.336.097	**1.237.137**	**(790.526)**	**251.720**	**3.129.844**	**(4.209)**	**(1.269)**	**14.158.794**
Net Book Value	**14.402.292**							**17.522.225**

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19. Property, Plant and Equipment (Continued)

b) Mining Assets

	31.12.2022	Additions	Disposals	Foreign currency translation differences	31.12.2023
Acquisition Costs					
Mining development cost (*)	2.371.998	461.954	(7.959)	1.471.200	4.297.193
Mining rehabilitation cost	321.647	113.366	--	211.909	646.922
Acquisition of Mining Rights (**)	2.604.132	477.973	(24.398)	1.604.433	4.662.140
	5.297.777	**1.053.293**	**(32.357)**	**3.287.542**	**9.606.255**
Accumulated Depreciation (-)					
Mining development cost	868.803	185.594	(2)	543.489	1.597.884
Mining rehabilitation cost	119.106	46.387	--	79.527	245.020
Acquisition of mining rights	194.041	67.810	(6.950)	126.034	380.935
	1.181.950	**299.791**	**(6.952)**	**749.050**	**2.223.839**
Net Book Value	**4.115.827**				**7.382.416**

	31.12.2021	Additions	Disposals	Foreign currency translation differences	31.12.2022
Acquisition Costs					
Mining development cost (*)	802.261	476.924	--	1.092.813	2.371.998
Mining rehabilitation cost	13.407	186.319	--	121.921	321.647
Acquisition of Mining Rights (**)	1.190.426	128.673	--	1.285.033	2.604.132
	2.006.094	**791.916**	**--**	**2.499.767**	**5.297.777**
Accumulated Depreciation (-)					
Mining development cost	200.025	294.345	--	374.433	868.803
Mining rehabilitation cost	4.534	69.543	--	45.029	119.106
Acquisition of mining rights	31.383	82.692	--	79.966	194.041
	235.942	**446.580**	**--**	**499.428**	**1.181.950**
Net Book Value	**1.770.152**				**4.115.827**

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19. Property, Plant and Equipment (Continued)

b) Mining Assets (continued)

(*) *Exploration, Drilling and Development Expenses in*

As of 31 December 2023 and 2022, the details of Tümad Madencilik's exploration, drilling and development expenses in the field of mining are as follows:

	31.12.2023	31.12.2022
Lapseki Project	1.812.687	1.038.401
İvrindi Projects	2.184.727	1.206.724
Other	299.769	126.872
	4.297.183	**2.371.997**

(**) *Mining Rights:*

Tümad Mining has 9 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

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20. Investment Properties

	31.12.2022	Additions	Disposals	Foreign currency translation differences	Revaluation differences (*)	Transfer	31.12.2023
Cost							
Land							
- Nurol İnşaat	1.386.890	--	--	--	133.781	--	1.520.671
- Nurol Holding	62.699	--	--	--	--	--	62.699
Buildings							
- Nurol İnşaat	1.375.787	1.409	(1.781)	--	2.983.926	--	4.359.341
- Georgia Batumi Sheraton Hotel	2.946.060	20.809	--	(1.027.940)	1.940.235	--	3.879.164
- Nurol Holding	11.755	--	--	--	--	--	11.755
- Turser	1.238.581	--	--	--	14.203	--	1.252.784
- Karum Offices	88.966	--	--	--	--	--	88.966
- Kuşadası Asena Hotel	9.414	--	(9.414)	--	--	--	--
	7.120.152	**22.218**	**(11.195)**	**(1.027.940)**	**5.072.145**	**--**	**11.175.380**
Nurol Gayrimenkul:							
- Nurol Tower	808.318	--	(66.469)	--	118.591	--	860.440
- Oasis Cadde	622.267	--	--	--	(21.699)	--	600.568
- Nurol Life	395.267	3.066	(5.485)	--	460.035	--	852.883
- Nurol Plaza	198.963	10	(44.915)	--	80.757	45.885	280.700
- Nurol Residence	102.637	5.963	--	--	100.650	--	209.250
- Oasis Bodrum	48.876	655	--	--	10.416	--	59.947
- Karum AVM	2.390	--	--	--	681	--	3.071
	2.178.718	**9.694**	**(116.869)**	**--**	**749.431**	**45.885**	**2.866.859**
	9.298.870						**14.042.239**
Accumulated depreciation (-)							
Buildings							
- Nurol Holding	3.619	143	--	--	--	--	3.762
- Turser	896	56	--	--	--	--	952
- Karum Offices	41.140	2.119	--	--	--	--	43.259
- Kuşadası Asena Hotel	1.346	--	(1.346)	--	--	--	--
	47.001	**2.318**	**(1.346)**	**--**	**--**	**--**	**47.973**
Net Book Value	**9.251.869**						**13.994.266**

(*) The Sheraton Hotel Batumi, located in the Group's investment properties, was revalued based on an expert report provided by Colliers Georgia in 2023. The revaluation difference between the appraised value and the recorded value (according to the appraisal report) has been recorded in the income statement under the "Investment Property Revaluation" account.

(**) Nurol İnşaat A.Ş. land, land parcels, and buildings classified as investment properties were revalued based on an expert report provided by Smart Gayrimenkul Değerleme ve Danışmanlık A.Ş. in 2023. The revaluation difference between the appraised value and the recorded value (according to the expert report) has been recorded in the income statement under the "Investment Property Revaluation" account.

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20. Investment Properties (Continued)

	31.12.2021	Additions	Disposals	Foreign currency translation differences	Revaluation differences	Transfer	31.12.2022
Cost							
Land							
- Nurol İnşaat	1.653.410	--	(266.520)	--	--	--	1.386.890
- Nurol Holding	62.699	--	--	--	--	--	62.699
Buildings						--	
- Nurol İnşaat	1.395.555	1.267	(32.427)	--	--	11.392	1.375.787
- Georgia Batumi Sheraton Hotel	1.415.676	--	--	(370.595)	1.916.220	(15.241)	2.946.060
- Nurol Holding	11.755	--	--	--	--	--	11.755
- Turser	1.031.340	--	--	--	207.241	--	1.238.581
- Karum Offices	88.966	--	--	--	--	--	88.966
- Kuşadası Asena Hotel	3.984	--	--	--	--	5.430	9.414
	5.663.385	**1.267**	**(298.947)**	**(370.595)**	**2.123.461**	**1.581**	**7.120.152**
Nurol Gayrimenkul:							
- Nurol Tower	1.306.573	--	(491.012)	--	(7.243)	--	808.318
- Oasis Cadde	778.555	482	--	--	(156.770)	--	622.267
- Nurol Life	450.907	--	(28.264)	--	(27.376)	--	395.267
- Nurol Plaza	192.312	--	--	--	6.651	--	198.963
- Nurol Residence	102.314	--	(24.767)	--	25.090	--	102.637
- Oasis Bodrum	50.156	797	--	--	(2.077)	--	48.876
- Karum AVM	1.895	--	--	--	495	--	2.390
	2.882.712	**1.279**	**(544.043)**	**--**	**(161.230)**	**--**	**2.178.718**
	8.546.097						**9.298.870**
Accumulated depreciation (-)							
Buildings							
- Nurol Holding	3.384	235	--	--	--	--	3.619
- Turser	840	56	--	--	--	--	896
- Karum Offices	39.015	2.125	--	--	--	--	41.140
- Kuşadası Asena Hotel	--	63	--	--	--	1.283	1.346
	43.239	**2.479**	**--**	**--**	**--**	**1.283**	**47.001**
Net Book Value	**8.502.858**						**9.251.869**

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21. Depreciation and Amortization

	31.12.2023	**31.12.2022**
Property, plant and equipment (Note 19)	1.028.786	1.237.137
Investment properties (Note 20)	2.318	2.479
Intangible assets (Note 22)	194.245	238.604
Mining assets depreciation (Note 19)	299.791	446.580
	1.525.140	**1.924.800**

The distribution of depreciation and amortization charges is as follows:

	01.01-31.12.2023	**01.01-31.12.2022**
Production costs	785.361	1.060.874
Cost of services	339.436	484.802
General administrative expenses	192.774	193.897
Marketing, selling and distribution expenses	40.046	38.884
Research and development expenses	167.523	146.343
	1.525.140	**1.924.800**

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22. Intangible Assets

	31.12.2022	Additions	Disposals	Foreign currency translation differences	Transfer	31.12.2023
Cost						
Rights	1.797.816	92.524	(28)	(710.485)	(11.562)	1.168.265
Energy licenses (*)	1.331.705	--	--	--	--	1.331.705
Establishment expenses	765	--	--	4	--	769
Other development expenses (**)	804.501	291.782	(957)	532.039	--	1.627.365
Other intangible assets	369	294	--	--	(144)	519
	3.935.156	**384.600**	**(985)**	**(178.442)**	**(11.706)**	**4.128.623**
Accumulated amortization (-)						
Rights	1.301.456	71.827	(28)	(360.296)	(881)	1.012.078
Energy licenses (*)	20.158	32.506	--	--	--	52.664
Establishment expenses	765	--	--	4	--	769
Other development expenses (**)	294.796	89.871	--	190.916	--	575.583
Other intangible assets	369	41	--	--	--	410
	1.617.544	**194.245**	**(28)**	**(169.376)**	**(881)**	**1.641.504**
Net Book Value	**2.317.612**					**2.487.119**

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22. Intangible Assets (Continued)

	31.12.2021	Additions	Disposals	Exclusion from consolidation	Foreign currency translation differences	Transfer	31.12.2022
Cost							
Rights	1.561.351	107.763	(3.915)	(3.702)	170.810	(34.491)	1.797.816
Energy licenses	1.331.705	--	--	--	--	--	1.331.705
Establishment expenses	762	--	--	--	3	--	765
Other development expenses	171.861	301.035	--	--	331.605	--	804.501
Other intangible assets	606	--	(237)	--	--	--	369
	3.066.285	**408.798**	**(4.152)**	**(3.702)**	**502.418**	**(34.491)**	**3.935.156**
Accumulated amortization (-)							
Rights	1.106.556	86.936	(2.808)	(2.596)	112.766	602	1.301.456
Energy licenses	--	20.158	--	--	--	--	20.158
Establishment expenses	762	--	--	--	3	--	765
Other development expenses	46.286	131.510	--	--	117.616	(616)	294.796
Other intangible assets	606	--	(237)	--	--	--	369
	1.154.210	**238.604**	**(3.045)**	**(2.596)**	**230.385**	**(14)**	**1.617.544**
Net Book Value	**1.912.075**						**2.317.612**

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22. Intangible Assets (Continued)

(*) *Energy Licenses:*

In 2013, the Group purchased the operating rights of Göksu Hydroelectric Power Plant through the privatization costing TL 119.738 thousand (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 thousand and obtained from EMRA

(**) *Development Expenses*

Research and development centre 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 1 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 centres under Law No. 5746.

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

23. Provisions, Contingent Assets and Liabilities

Current provisions	**31.12.2023**	**31.12.2022**
Project penalty provision	747.775	906.907
Provision for litigation	600.292	219.596
Warranty expense provision	129.837	157.912
Insurance premium provisions	61.747	38.059
Other bank provisions	52.605	26.517
Provisions for non-cash loans (Nurolbank)	38.749	11.562
Cost expense provision	3.388	695
Deed cost provision	--	5.840
Other	17.380	40.251
	1.651.773	**1.407.339**

Non-current provisions	**31.12.2022**	**31.12.2021**
Rehabilitation provision (*)	630.728	513.353
Other	4.907	2.277
	635.635	**515.630**

(*) 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

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23. Provisions, Contingent Assets and Liabilities (Continued)

	31.12.2023	**31.12.2022**
Legal cases in favour of the Group	452.625	18.589
Legal cases against the Group	657.582	327.025

As of 31 December 2023, the total amount of pending lawsuits against the Group is approximately TL 657.582 thousand (31 December 2022: TL 327.025 thousand. As of 31 December 2023, the Group has set aside a provision of TL 600.292 thousand (31 December 2022: TL 219.596 thousand) for those who have the risk of litigation, according to the opinion of its legal counsel.

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

	31.12.2023		**31.12.2022**	
	Original Currency	**TL Equivalent**	**Original Currency**	**TL Equivalent**
Letters of guarantee received				
- TL	493.584	493.584	451.453	451.453
- USD	6.359	187.189	24.686	461.593
- EUR	9.177	298.918	21.888	436.342
Cheques and notes received				
- TL	21	21	35	35
-USD	3	80	3	51
		979.792		**1.349.474**

As of 31 December 2023 and 2022, the tables regarding the Group's collateral/pledge/mortgage ("CPM") position are as follows:

		31.12.2023	**31.12.2022**
A	CPM's given in the name of own legal personality	27.099.937	19.539.985
B	CPM's given on behalf of the fully consolidated companies	30.205.747	17.821.331
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	--	--
		57.305.684	**37.361.316**

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23. Provisions, Contingent Assets and Liabilities (Continued)

	Original Amount						31.12.2023
	TL	**USD**	**EURO**	**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	--	271.481	--	--	--	--	7.991.909
	6.122.053	**481.935**	**179.179**	**953.131**	**110.343**	**700**	**27.099.937**

	Original Amount						31.12.2022
	TL	**USD**	**EURO**	**DZD**	**RON**	**GBP**	**TL Equivalent**
Letter of guarantee	844.257	249.324	156.774	949.041	83.007	--	9.093.458
Mortgages	2.232.200	86.000	65.000	--	--	--	5.136.023
Suretyship	--	284.010	--	--	--	--	5.310.504
	3.076.457	**619.334**	**221.774**	**949.041**	**83.007**	**--**	**19.539.985**

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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

	31.12.2023	31.12.2022
Due to personnel	55.157	81.755
Social security premiums payable	111.315	90.401
	166.472	**172.156**

b) Provisions for employee benefits

	31.12.2023	31.12.2022
Current provisions	193.344	205.848
Non-current provisions	269.967	396.167
	463.311	**602.015**

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24. Employee Benefits (Continued)

b.1) Current provisions for employee benefits

	31.12.2023	31.12.2022
Unused vacation provision	193.344	205.848
	193.344	**205.848**

b.2) Non-current provisions for employee benefits

	31.12.2023	31.12.2022
Provision for employee termination benefits	269.967	396.167
	269.967	**396.167**

Provision for employee termination benefits

In accordance with existing social legislation in Türkiye, the Group and its subsidiaries incorporated in Türkiye are required to make lump-sum termination indemnities to each employee who has completed one year of service with the Group, and whose employment is terminated due to retirement or for reasons other than resignation or misconduct

The amount payable consists of one month's salary limited to a maximum of TL 35.058,58 for each period of service at 31 December 2023 (31 December 2022: TL 19.982,83).

Retirement pay liability is not legally subject to any funding.

Liability of employment termination benefits is not subject to any funding as there is not an obligation. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Company's obligation under the defined benefit plans.

	31.12.2023	31.12.2022
Discount rate	25,05%	22,20%
Annual inflation rate	21,41%	19,90%

25. Other Assets and Liabilities

Other current assets	**31.12.2023**	**31.12.2022**
Advances given to subcontractors (*)	884.652	641.992
VAT carried forward	880.859	690.931
Receivables from tax administration	267.193	695.253
Advances given for business purposes	22.360	77.193
Accrued income	15.441	9.723
Other	20.991	2.179
	2.091.496	**2.117.271**

(*) TL 555.852 thousand of advances given to subcontractors consists of the advances given to the subcontractors of Nurol İnşaat and TL 328.799 thousand to the subcontractors of Tümad Madencilik.

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25. Other Assets and Liabilities (Continued)

Other current liabilities	**31.12.2023**	**31.12.2022**
Receivables from the tax office (Tümad & Nurol Makina)	470.153	211.972
	470.153	**211.972**

Other current liabilities	**31.12.2023**	**31.12.2022**
Taxes and funds payable	722.171	421.084
Other (*)	682.422	591.338
	1.404.593	**1.012.422**

(*) TL 643.006 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	**31.12.2023**	**31.12.2022**
Nurol İnşaat Algeria Branch	70	4.202
	70	**4.202**

26. Equity

a. *Share Capital*

	Share Rate (%)	**31.12.2023**	**31.12.2022**
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
Eyüp Sabri Çarmıklı	<1	93	93
Gaye Çarmıklı	<1	93	93
Gürol Çarmıklı	<1	62	62
Gözde Çarmıklı	<1	62	62
Gürhan Çarmıklı	<1	62	62
Eda Çarmıklı Yolcu	<1	62	62
Saadet Ceyda Çarmıklı	<1	62	62
Oğuzhan Çarmıklı	<1	62	62
Müjgan Sevgi Kayaalp	<1	23	31
Aynur Türkan Çarmıklı	<1	38	30
Melih Kayaalp	<1	8	8
Semih Kayaalp	<1	8	8
	100	**776.000**	**776.000**
Share capital adjustment		9.636.149	9.636.149
	100	**10.412.149**	**10.412.149**

The issued share capital of Nurol Holding 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

	31.12.2023	31.12.2022
Fixed assets revaluation fund	3.239.127	3.492.718
Actuarial gains/ losses	(87.413)	(67.257)
	3.151.714	**3.425.461**

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

	31.12.2023	31.12.2022
Foreign currency exchange rate differences	10.936.611	8.517.992
Revaluation of financial assets available for sale	142.351	5.088
Cash flow hedge gains / (losses)	(855.977)	(299.137)
	10.222.985	**8.223.943**

d. Restricted Reserves

	31.12.2023	31.12.2022
Legal reserves	1.175.207	1.219.278
Extraordinary reserves	23	23
	1.175.230	**1.219.301**

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.

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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 31 December 2023 and 2022 movements of non-controlling interest is as follows

31 December 2021 minority interest	**1.376.872**
Capital change	438.279
Minority share of other prior year profit and loss adjustments	1.080.706
Minority share of profit/loss for the period	83.466
Monetary Gain / Loss	(538.693)
31 December 2022 minority interest	**2.440.630**
Capital change	511.375
Minority share of other prior year profit and loss adjustments	(1.233.623)
Minority share of profit/loss for the period	(175.832)
Monetary Gain / Loss	(959.422)
31 December 2023 minority interest	**583.128**

27. Revenue and Cost of Sales

	01.01-31.12.2023	**01.01-31.12.2022**
Domestic sales	28.061.417	29.584.312
Export sales	6.892.304	11.816.339
Sales discount (-)	(121.866)	(43.713)
Revenue	**34.831.855**	**41.356.938**
Cost of sales (-)	**(23.838.564)**	**(26.952.699)**
Gross profit from trading activities	**10.993.291**	**14.404.239**
Revenue from financial sector activities	7.520.517	4.887.936
Cost of financial sector activities (-)	(2.545.630)	(1.823.525)
Gross profit from financial sector activities	**4.974.887**	**3.064.411**
Gross profit	**15.968.178**	**17.468.650**

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28. Expenses by Nature

	01.01-31.12.2023	01.01-31.12.2022
General administrative expenses	3.027.226	2.452.413
Marketing, selling and distribution expenses	289.591	1.031.164
Research and development expenses	336.267	463.701
	3.653.084	**3.947.278**

29. Other Operating Income and Expense

Other operating income	01.01-31.12.2023	01.01-31.12.2022
Other income (Nurol Bank)	717.020	33.049
Unwind of provisions	160.717	259.969
Incentive income	50.329	33.380
Other income (Turser)	41.143	16.563
Insurance income	32.321	5.711
Nurol LLC insurance income	26.571	12.066
Rediscount income	14.830	7.299
Scrap, raw material and material sales income	13.382	23.742
Other income (Tümad)	9.837	10.275
Income from forward transactions	8.005	38.404
Other income (FNSS)	6.095	4.946
Other income (Nurol Makina)	5.408	6.329
Other income (Nurol GYO)	2.432	226.423
Commission income	2.316	7.617
Other	10.569	50.698
	1.100.975	**736.471**

Other operating expense	01.01-31.12.2023	01.01-31.12.2022
Restructuring of receivables under Law No. 7440	(1.013.807)	(2.995)
Provision expenses	(539.224)	(79.119)
Donation and grants	(166.593)	(50.317)
Other expense (Nurol Bank)	(66.125)	(49.593)
Revaluation under Article 31 of the Tax Procedure Law	(52.972)	--
Other expense (Nurol Makina)	(46.473)	(8.423)
Severance pay interest expense	(43.217)	(14.492)
Insurance expense	(34.857)	(122)
Other expense (Nurol Tekonoloji)	(32.537)	(291.775)
Abandoned Mining Licenses	(28.528)	(852)
Other expense (Tümad)	(28.400)	(14.428)
Rediscount expenses	(23.606)	(1.867)
Other expense (Nurol GYO)	(10.422)	(34.833)
Scrap, raw material and material sales income	(1.248)	(4.619)
Other expense (FNSS)	(1.883)	(2.460)
Other	(142.619)	(268.218)
	(2.232.511)	**(824.113)**

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30. Income and Expenses from Investment Activities

Income from investing activities	**01.01-31.12.2023**	**01.01-31.12.2022**
Revaluation differences of investment properties	5.821.576	2.108.274
Profit on property, plant and equipment sales	114.859	92.785
Dividend income	78.524	802
Rent income	18.010	18.015
Currency protected deposits income	14.293	27.578
Profit on sales of securities	9.602	96.845
Profit on sales of subsidiaries	--	1.381.123
Other	43.093	714.274
	6.099.957	**4.439.696**

Expenses from investing activities	**01.01-31.12.2023**	**01.01-31.12.2022**
Securities sales expenses	(131.185)	(146.043)
Rent expense	(65.982)	(57.783)
Loss on property, plant and equipment sales	(3.635)	(83.719)
Loss on sales of subsidiaries	--	(1.368)
Revaluation differences of investment properties	--	(162.728)
	(200.802)	**(451.641)**

31. Financing Income and Expense

Financing income	**01.01-31.12.2023**	**01.01-31.12.2022**
Foreign exchange income	6.452.109	4.248.137
Interest income	284.396	138.818
Fair value gains of derivative financial instruments	37.963	65.567
	6.774.468	**4.452.522**

Financing expenses	**01.01-31.12.2023**	**01.01-31.12.2022**
Foreign exchange expenses	(15.891.081)	(10.551.768)
Interest expenses	(4.315.738)	(6.760.727)
Bank commission expenses	(511.662)	(493.107)
Fair value losses of derivative financial instruments	(368.953)	--
Bond interest expense	(276.414)	(794.148)
Letter of guarantee expenses	(59.699)	(53.595)
Factoring expenses	(50.417)	(12.434)
	(21.473.964)	**(18.665.779)**

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

• 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, 15% 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 25% 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 Türkiye 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 30th 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. The Corporate Tax rate will be applied as 25% for the corporate earnings for the 2023 taxation period.

For the accounting periods ending on 31 December 2023 and 2022 the details of tax provision in the statements of income are as follows

Tax provision in the statement of the financial position	**31.12.2023**	**31.12.2022**
Current tax provision	444.022	641.443
	444.022	**641.443**

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

As of 31 December 2023 and 2022, the tax liabilities included in the financial statements are as follows:

Tax provision in the statement of profit or loss	**01.01-31.12.2023**	**01.01-31.12.2022**
Provision for corporate tax for current period	(2.236.126)	(1.087.674)
Deferred tax income / (expense)	223.671	634.307
	(2.012.455)	**(453.367)**

Current	**31.12.2023**	**31.12.2022**
Prepaid taxes (-) (*)	83.843	669.904
	83.843	**669.904**

(*) 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% (2022: 23%). 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	**31.12.2023**	**31.12.2022**
Prepaid taxes (-) (**)	250.678	142.739
	250.678	**142.739**

(**) 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	**31.12.2023**	**31.12.2022**
Depreciation adjustment	1.332.400	1.956.278
Research and development incentive discount carried forward	884.948	--
Expected credit loss	44.548	58.287
Provisions for employee benefits	214.632	361.103
Provisions for litigation	678.980	171.952
Ongoing constructions, net	2.710.052	1.518.498
Contractual obligations	684.384	--
Research and development incentive discount carried forward	4.386.860	3.732.372
Adjustments related to financial investments	(78.536)	(817.554)
Provisions for warranty and installation expenses	11.612	148.009
Accrued income	(3.384)	500.315
Written-off assets	449.180	49.962
Adjustments related to staff advances	12.532	26.321
Adjustments related to loan interest accruals	(65.020)	(40.384)
Unused vacation provision	75.624	47.848
Exchange rate differences, net	(6.384)	(23.205)
Tangible and intangible assets adjustment	(579.204)	(6.806.855)
Tangible and intangible assets revaluation	(88.964)	488.988
Provision for rehabilitation	245.020	170.655
Inventory functional currency conversion variances and adjustments related to project contracts	3.401.880	5.176.005
Net difference between carrying value and tax value of inventories	25.068	97.509
Presentation currency conversion variances	1.346.424	195.478
Doubtful debt provision	17.040	21.765
Adjustments related to unaccrued finance income/expenses	5.984	(5.767)
Trade, other receivables, and customer receivables and liabilities related to project and contracts	(5.100.596)	(14.637.531)
Derivative financial instruments	911.704	1.367.744
Taxable financial losses	2.302.092	3.443.561
Valuation of investment properties	(7.379.816)	(3.425.278)
Adjustments related to goodwill	(74.472)	(74.120)
Investment incentives	583.892	789.513
Adjustments related to deferred income Other	(806.120)	--
Other	1.735.932	1.031.164
	7.878.292	**(4.477.367)**

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

Deferred tax assets / (liabilities)	**31.12.2023**	**31.12.2022**
Depreciation adjustment	333.100	449.944
Research and development incentive discount carried forward	221.237	--
Expected credit loss	11.137	13.406
Provisions for employee benefits	53.658	83.054
Provisions for litigation	169.745	39.549
Ongoing constructions, net	677.513	349.254
Contractual obligations	171.096	--
Research and development incentive discount carried forward	1.096.715	858.445
Adjustments related to financial investments	(19.634)	(188.037)
Provisions for warranty and installation expenses	2.903	34.042
Accrued income	(846)	115.072
Written-off assets	112.295	11.491
Adjustments related to staff advances	3.133	6.054
Adjustments related to loan interest accruals	(16.255)	(9.288)
Unused vacation provision	18.906	11.005
Exchange rate differences, net	(1.596)	(5.337)
Tangible and intangible assets adjustment	(144.801)	(1.565.577)
Tangible and intangible assets revaluation	(22.241)	112.467
Provision for rehabilitation	61.255	39.251
Inventory functional currency conversion variances and adjustments related to project contracts	850.470	1.190.481
Net difference between carrying value and tax value of inventories	6.267	22.427
Presentation currency conversion variances	336.606	44.960
Doubtful debt provision	4.260	5.006
Adjustments related to unaccrued finance income/expenses	1.496	(1.326)
Trade, other receivables, and customer receivables and liabilities related to project and contracts	(1.275.149)	(3.366.632)
Derivative financial instruments	227.926	314.581
Taxable financial losses	575.523	792.019
Valuation of investment properties	(1.844.954)	(787.814)
Adjustments related to goodwill	(18.618)	(17.047)
Investment incentives	145.973	181.588
Adjustments related to deferred income Other	(201.530)	--
Other	433.983	237.168
Deferred tax assets / (liabilities), net	**1.969.573**	**(1.029.794)**

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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	**01.01-31.12.2023**	**01.01-31.12.2022**
Profit for the period	9.052.532	13.121.641
Profit attributable to non-controlling interest	(175.832)	83.467
Profit attributable to equity holders of the parent	**8.876.700**	**13.205.108**
Weighted average number of shares with nominal value	776.000	776.000
Earnings per share	**11,4390**	**17,0169**

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*

To maintain or adjust the capital structure, the Group may obtain new loans, repay existing loans; make cash and non-cash (bonus shares) dividend payments to shareholders, issue new shares based on Management's evaluation. The Group manages the capital structure so as to ensure the Group's ability to continue as a going concern; and maximize its profitability by maintaining an adequate capital to overall financing structure ratio. The Group monitors capital using a net debt to total equity ratio, which is net financial debt divided by total equity. The Group includes within net financial debt, borrowings and trade payables, less cash and cash equivalents. The Group's net financial debt / total financing used ratios are as follows:

	31.12.2023	31.12.2022
Total financial liabilities	45.688.733	63.632.734
Less: cash and cash equivalents	(10.587.427)	(15.515.997)
Net financial debt	**35.101.306**	**48.116.737**
Total equity	47.054.535	37.377.153
Less: revaluation of tangible fixed assets	(3.239.127)	(3.492.718)
Total financing used	**78.916.714**	**82.001.172**
Net financial debt / Total financing used	**44%**	**59%**

b) *Financial Risk Factors*

The Group's principal financial instruments are cash, short-term time deposits and bank borrowings. The main purpose of 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.

b.2) *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.

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

b.3) 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.3.1) 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.

	31.12.2023	**31.12.2022**
Foreign currency assets	21.098.223	12.571.968
Foreign currency liabilities	(47.747.140)	(23.320.588)
Net foreign currency position	**(26.648.917)**	**(10.748.620)**

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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:

31.12.2023	USD	EUR	GBP	RUB	DZD	AED	RON	GEL	PLN	Other currencies TL equivalent	TL Equivalent
1. Trade receivables	113.024	127.175	--	--	7.998.506	55.025	13.926	776	--	--	9.764.373
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
2b. Non-monetary financial assets	--	6	--	--	--	--	--	--	--	--	195
3. Other	139.173	76.175	--	--	13.171	206.156	619	--	--	5.517	8.233.886
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**
5. Trade receivables	114	--	--	--	--	--	--	--	--	--	3.355
6a. Monetary financial assets	10.059	--	--	--	--	--	--	--	--	--	296.120
6b. Non-monetary financial assets	--	--	--	--	--	--	--	--	--	--	--
7. Other	4	4.144	--	--	3.209	--	--	--	--	--	135.806
8. Non-current assets (5+6+7)	**10.177**	**4.144**	**--**	**--**	**3.209**	**--**	**--**	**--**	**--**	**--**	**435.281**
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**
10. Trade payables	129.127	85.638	11	--	2.231.007	157.777	15.466	2.008	--	405.216	8.866.737
11. Financial liabilities	64.781	65.960	--	--	--	48.256	--	--	--	--	4.440.238
12a. Other monetary liabilities	123.708	360.463	--	--	289.945	--	--	--	--	82.616	15.529.744
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**
14. Trade payables	88.854	25.811	--	--	--	--	--	--	--	18.135	3.474.624
15. Financial liabilities	298.070	166.776	--	--	--	89.280	--	30.125	--	--	15.249.010
16a. Other monetary liabilities	5.624	649	--	--	--	--	--	--	--	--	186.716
16b. Other non-monetary liabilities	--	--	--	--	321	--	--	--	--	--	71
17. Non-current liabilities (14+15+16)	**392.548**	**193.237**	**--**	**--**	**321**	**89.280**	**--**	**30.125**	**--**	**18.135**	**18.910.420**
18. Total liabilities (13+17)	**710.165**	**705.298**	**11**	**--**	**2.521.273**	**295.313**	**15.466**	**32.133**	**--**	**505.967**	**47.747.140**
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)**
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)**

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

31.12.2022	**USD**	**EUR**	**GBP**	**RUB**	**DZD**	**AED**	**RON**	**GEL**	**PLN**	**Other currencies TL equivalent**	**TL Equivalent (Historical Value)**	**TL Equivalent (Indexed Value))**
1. Trade receivables	126.462	43.132	--	--	6.256.485	43.689	23.752	708	--	273.968	4.673.127	7.700.048
2a. Monetary financial assets, (cash and banks)	62.995	65.115	8	278	23.001	100.511	10.329	5.089	2	905.031	3.969.967	6.541.430
2b. Non-monetary financial assets	44.855	368	10	--	63.643	66.473	43.717	3	--	--	1.366.648	2.251.866
3. Other	49.084	5.534	--	--	243.082	70.206	20	277	--	267.649	1.686.351	2.778.650
4. Current assets (1+2+3)	**283.396**	**114.149**	**18**	**278**	**6.586.211**	**280.879**	**77.818**	**6.077**	**2**	**1.446.648**	**11.696.093**	**19.271.994**
5. Trade receivables	380	--	--	--	--	--	--	--	--	--	7.105	11.707
6a. Monetary financial assets	--	--	--	--	--	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	3.209	--	--	--	--	--	438	722
7. Other	5.202	--	--	--	--	--	--	6.893	--	723.195	868.332	1.430.776
8. Non-current assets (5+6+7)	**5.582**	**--**	**--**	**--**	**3.209**	**--**	**--**	**6.893**	**--**	**723.195**	**875.875**	**1.443.205**
9. Total assets (4+8)	**288.978**	**114.149**	**18**	**278**	**6.589.420**	**280.879**	**77.818**	**12.970**	**2**	**2.169.843**	**12.571.968**	**20.715.199**
10. Trade payables	54.519	107.476	6	--	10.340.904	172.370	32.178	936	--	389.035	5.969.779	9.836.579
11. Financial liabilities	43.197	110.565	--	--	--	48.110	--	--	--	1.432.439	4.687.817	7.724.253
12a. Other monetary liabilities	18.731	1.239	--	--	93.964	--	1.920	110	--	11.077	407.288	671.100
12b. Other non-monetary liabilities	49.406	111.988	--	--	322.815	--	--	--	--	1.322.217	4.522.530	7.451.905
13. Current liabilities (10+11+12)	**165.853**	**331.268**	**6**	**--**	**10.757.683**	**220.480**	**34.098**	**1.046**	**--**	**3.154.768**	**15.587.414**	**25.683.837**
14. Trade payables	--	143.502	--	--	--	--	--	--	--	--	2.860.698	4.713.656
15. Financial liabilities	71.750	104.380	--	--	--	86.163	--	29.919	--	--	4.066.395	6.700.318
16a. Other monetary liabilities	17.013	--	--	--	--	--	--	--	--	--	318.114	524.166
16b. Other non-monetary liabilities	--	--	--	--	18.697	--	5.922	23.046	--	301.651	487.967	804.037
17. Non-current liabilities (14+15+16)	**88.763**	**247.882**	**--**	**--**	**18.697**	**86.163**	**5.922**	**52.965**	**--**	**301.651**	**7.733.174**	**12.742.177**
18. Total liabilities (13+17)	**254.616**	**579.150**	**6**	**--**	**10.776.380**	**306.643**	**40.020**	**54.011**	**--**	**3.456.419**	**23.320.588**	**38.426.013**
19. Net assets of off-balance sheet derivative items	**--**	**320.402**	--	--	--	--	--	--	--	--	**6387182**	**10.524.346**
19a. Total amount of assets hedged	--	320.402	--	--	--	--	--	--	--	--	6.387.182	10.524.346
19b. Total amount of liabilities hedged	--	--	--	--	--	--	--	--	--	--	--	--
20. Net foreign assets / (liability) position	**34.362**	**(144.599)**	**12**	**278**	**(4.186.960)**	**(25.764)**	**37.798**	**-41.041**	**2**	**(1.446.648)**	**(5.308.911)**	**(8.747.648)**
21.Net foreign currency asset / (liability) position(=1+2a+5+6a-10-11-12a-14-15-16a)	**(15.373)**	**(358.915)**	**2**	**278**	**(4.155.382)**	**(162.443)**	**(17)**	**-25.168**	**2**	**(653.552)**	**(9.659.892)**	**(15.916.886)**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

b) Financial Risk Factors (Continued)

b.3) Market Risk

b.3.1) Foreign Currency Risk (continued)

The table below presents the Group's sensitivity to a 10% deviation in foreign exchange rates (especially USD and EUR). 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 increase in profit / loss before tax or equity

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**

(Currency – Thousand Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2023 unless otherwise expressed)

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

b) Financial Risk Factors (Continued))

b.3) Market Risk

b.3.1) Foreign Currency Risk (continued

Foreign currency sensitivity analysis table

31.12.2022				
	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	116.455	(116.455)	116.455	(116.455)
2- Hedged portion of USD risk (-)	--	--	--	--
3- USD net effect (1+2)	116.455	(116.455)	116.455	(116.455)
Change of EUR against TL by 10%				
4- Net EUR assets/liabilities	125.148	(125.148)	125.148	(125.148)
5- Hedged portion of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	125.148	(125.148)	125.148	(125.148)
Change of other currencies against TL by 10%				
7- Net GBP assets/liabilities	(10)	10	(10)	10
8- Hedged portion of GBP risk (-)	--	--	--	--
9- GBP net effect (7+8)	(10)	10	(10)	10
Total (3+6+9)	**241.593**	**(241.593)**	**241.593**	**(241.593)**

b.3.2) 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)

Fair value of financial instruments (continued)

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.