NURUL HOLDİNG A.Ş.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS AS OF
1 JANUARY-31 DECEMBER 2024
TOGETHER WITH THE
INDEPENDENT AUDITOR'S
REPORT

Nurol Holding A.Ş., and Its Subsidiaries

Table of Contents

	Page
Independent auditor's report	
Consolidated statement of balance sheet	1 - 3
Consolidated statements of profit / (loss) and other comprehensive income	4 - 5
Consolidated statement of changes in equity	6 - 7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9 – 94

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INDEPENDENT AUDITOR'S 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 subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024 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 2024 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) The financial statements for the fiscal year 2024, covering the period from 1 January to 31 December, 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 (Note 1).

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**
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 2024, is in the amount of TL 66.773.367 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. The amount and timing of revenue derived from construction and project contracts are calculated and determined using the input method to measure progress in fulfilling performance obligations related to these contracts, in accordance with TFRS 15 "Revenue from Contracts with Customers." Under the input method, revenue is recognized in the financial statements by comparing the expected total costs to complete a project with the actual costs incurred to date for fulfilling the performance obligation. Due to the significant impact of revenue on the financial statements and the substantial reliance on management's estimates and judgments, this has been identified as a key audit matter.	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.

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4) Key Audit Matters (Continued)

Key Audit Matters	**How our audit addressed the Key Audit Matter**
Capitalized mining assets	
The Group capitalizes expenditures in the following circumstances; • Development costs incurred in mining areas, when it is highly probable that future economic benefits will be derived from the relevant mine, the mining areas can be identified by management, and the costs can be reliably measured, • Direct costs incurred during the stripping activities carried out to facilitate access to the defined portion of the ore in each open pit and underground ore body during the period, along with general production overheads that can be attributed to the stripping activities, and costs associated with mine closure and rehabilitation, are capitalized at their discounted cost values as of the balance sheet date, where the expected future costs and the corresponding asset are highly probable. Due to the management judgments applied during the process of capitalizing the costs of these related assets, this matter has been identified as a key audit matter.	The following audit procedures have been applied regarding the recording of capitalized mining assets in the financial statements: • The content of the capitalized development costs for each mining site has been assessed. • The appropriateness of management's evaluations has been tested. • Discussions were held with the managers of the departments responsible for the Group's mining sites, and the expected future economic benefits were evaluated based on the remaining reserves. • Detailed testing was performed on development costs and remaining reserves using a sampling method, and compliance with the independent valuation report was checked. • The discount rate used in determining the expected economic benefits of the remaining reserves has been reviewed. • Rehabilitation costs were assessed by comparing them with prior periods and current data, and the appropriateness of the discount rate used was evaluated. • The calculations used were mathematically checked, and the economic benefits realized during the period were compared with prior period management estimates.

4) Key Audit Matters (Continued)

<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>
</table>

<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 2024, current and non-current financial liabilities in the amount of TL 56.340.959 thousand (31 December 2023: TL 52.429.331 thousand), constitutes 29% of the Group's total liabilities (31 December 2023: 27%) (Note 10).

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>
</table>

4) Key Audit Matters (Continued)

<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">Application of the hyperinflationary accounting</td></tr>
<tr><td>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 2024, 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.</td><td>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.</td></tr>
</table>

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.

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

We also;

- 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.

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.

B) Other Responsibilities Arising from Regulatory Requirements

In accordance with Article 378 of the Turkish Commercial Code ("TCC") numbered 6102, for Nurol Holding 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.

B) **Other Responsibilities Arising from Regulatory Requirements (Continued)**

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 2024, 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

11 March 2025
İstanbul, Türkiye

NUROL HOLDİNG A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2024 AND 2023

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

ASSETS	Note	Audited Current Period 31 December 2024 TL	Audited Current Period 31 December 2024 USD	Audited Prior Period 31 December 2023 TL	Audited Prior Period 31 December 2023 USD
Current Assets					
Cash And Cash Equivalents	*6*	14.768.676	419.287	15.285.997	359.649
- Group Companies	*6*	7.103.232	201.663	5.426.560	127.676
- Nurol Investment Bank	*6*	7.665.444	217.624	9.859.437	231.973
Financial Investments	*8*	231.877	6.583	120.562	2.837
Trade Receivables					
- Trade Receivables Due from Related Parties	*5*	167.977	4.769	90.450	2.128
- Trade Receivables Due from Third Parties	*7*	7.178.630	203.803	6.527.015	153.568
Other Receivables					
- Other Receivables Due from Related Parties	*5*	*90.566*	*2.571*	526.718	12.393
- Other Receivables Due from Third Parties	*12*	*1.101.320*	*31.267*	1.249.197	29.391
Receivables From Financial Sector Activities	*9*	17.063.723	484.444	16.296.469	383.424
Derivative Financial Assets		577.659	16.400	389.144	9.156
Inventories	*13*	11.805.310	335.156	12.602.128	296.503
Contract Assets from Ongoing Construction and Contracting Projects	*15*	12.332.006	350.109	12.384.366	291.380
Prepaid Expenses	*14*	1.470.410	41.745	2.340.635	55.071
Current Tax Assets	*32*	224.235	6.366	121.051	2.848
Other Current Assets	*25*	2.732.741	77.583	3.019.692	71.047
Total Current Assets		**69.745.130**	**1.980.083**	**70.953.424**	**1.669.395**
Non-Current Assets					
Trade Receivables					
- Trade Receivables Due from Related Parties	*5*	*17.598*	*500*	*4.265*	*100*
- Trade Receivables Due from Third Parties	*8*	--	--	--	--
Other Receivables					
- Other Receivables Due from Related Parties	*5*	--	--	*242.676*	*5.710*
- Other Receivables Due from Third Parties	*12*	*399.999*	*11.356*	*3.555.080*	*83.644*
Receivables From Financial Sector Activities	*9*	21.795.791	*618.789*	10.801.582	254.140
Derivative Financial Assets		--	--	55.735	1.311
Investments in Associates	*16*	40.278	*1.144*	46.167	1.086
Investments Recognized Using The Equity Method	*17*	38.216.962	*1.084.991*	41.897.410	985.763
Contract Assets from Ongoing Construction and Contracting Projects	*15*	1.225.970	*34.806*	2.413.424	56.783
Investment Properties	*20*	21.098.957	*599.006*	20.204.705	475.377
Property, Plant and Equipment	*19*	28.940.321	*821.624*	30.939.734	727.951
Intangible Assets					
- Goodwill	*18*	*273.524*	*7.765*	*273.524*	*6.435*
- Other Intangible Assets	*22*	*3.568.031*	*101.297*	*3.590.869*	*84.486*
Prepaid Taxes and Funds	*32*	1.042.312	*29.592*	361.926	8.515
Prepaid Expenses	*14*	1.016.298	*28.853*	233.492	5.494
Deferred Tax Assets	*32*	8.441.795	*239.665*	8.772.588	206.402
Other Non-Current Assets	*25*	681.281	*19.342*	678.801	15.971
Total Non-Current Assets		**126.759.117**	**3.598.730**	**124.071.978**	**2.919.168**
TOTAL ASSETS		**196.504.247**	**5.578.813**	**195.025.402**	**4.588.563**

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 2024 AND 2023

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

LIABILITIES	**Note**	**Audited Current Period 31 December 2024 TL**	**Audited Current Period 31 December 2024 USD**	**Audited Prior Period 31 December 2023 TL**	**Audited Prior Period 31 December 2023 USD**
Current Liabilities					
Current borrowings	10	32.158.331	912.985	27.795.151	653.965
- Group Companies	*10*	*22.545.022*	*640.060*	*23.765.542*	*559.156*
- Nurol Investment Bank	*10*	*9.613.309*	*272.925*	*4.029.609*	*94.809*
Funds Borrowed	11	9.744.813	276.658	12.980.196	305.398
Trade Payables					
-Trade Payables to Related Parties	*5*	*65.626*	*1.863*	*49.186*	*1.157*
-Trade Payables to Third Parties	*7*	*30.767.396*	*873.496*	*29.308.388*	*689.568*
Payables Related to Employee Benefits	24	192.598	5.468	240.350	5.655
Other Payables					
-Other Payables to Related Parties	*5*	*38.713*	*1.099*	*59.036*	*1.389*
-Other Payables to Third Parties	*12*	*2.703.796*	*76.762*	*2.232.792*	*52.533*
Derivative Financial Liabilities		2.405.324	68.288	1.180.501	27.775
Deferred Income	14	4.580.871	130.052	6.385.831	150.246
Current Tax Liabilities	32	442.560	12.564	641.074	15.083
Contract Liabilities from Ongoing Construction and Contracting Projects	15	155.653	4.419	--	--
Current Provisions					
- Current Provisions for Employee Benefits	*24*	*332.360*	*9.436*	*279.148*	*6.568*
- Other Current Provisions	*23*	*1.718.668*	*48.793*	*2.382.351*	*56.052*
Other Current Provisions	25	2.164.462	61.450	2.027.934	47.713
Total Current Liabilities		**87.471.171**	**2.483.333**	**85.561.938**	**2.013.102**
Non-Current Liabilities					
Non-Current Borrowings	10	24.182.628	686.552	24.634.180	579.594
- Group Companies	*10*	*24.182.628*	*686.552*	*24.634.180*	*579.594*
- Nurol Investment Bank	*10*	--	--	--	--
Trade Payables					
- Trade Payables to Related Parties	*5*	--	--	--	--
- Trade Payables to Third Parties	*7*	*4.328.329*	*122.883*	*4.985.907*	*117.309*
Other Payables					
- Other Payables to Related Parties	*5*	--	--	--	--
- Other Payables to Third Parties	*12*	*2.850.760*	*80.934*	*3.032.112*	*71.340*
Derivative Financial Liabilities		527.055	14.963	674.138	15.861
Deferred Income	14	902.575	25.624	890.430	20.950
Non-Current Provisions					
- Non-Current Provisions for Employee Benefits	*24*	*414.601*	*11.771*	*389.752*	*9.170*
- Other Non-Current Provisions	*23*	*1.237.663*	*35.138*	*917.722*	*21.592*
Other Non-Current Liabilities	25	457	13	101	2
Deferred Tax Liabilities	32	3.909.486	110.991	3.205.704	75.424
Total Non-Current Liabilities		**38.353.554**	**1.088.869**	**38.730.046**	**911.242**
Total Liabilities		**125.824.725**	**3.572.202**	**124.291.984**	**2.924.344**

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 2024 AND 2023

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

EQUITY	**Note**	**Audited Current Period 31 December 2024 TL**	**Audited Current Period 31 December 2024 USD**	**Audited Prior Period 31 December 2023 TL**	**Audited Prior Period 31 December 2023 USD**
Share Capital	26	776.000	22.031	776.000	18.258
Share Capital Adjustment Differences	26	14.257.047	404.762	14.257.047	335.440
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss					
-Losses on Remeasurements of Defined Benefit Plans	*26*	*(210.472)*	*(5.975)*	*(123.587)*	*(2.908)*
- Revaluation and reclassification gains / (losses)	*26*	*4.898.466*	*139.069*	*4.676.612*	*110.031*
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss					
- Foreign Currency Exchange Differences	*26*	*15.401.299*	*437.247*	*15.796.769*	*371.667*
- Change in Fair Value of Available-for-Sale Financial Assets	*26*	*118.974*	*3.378*	*205.525*	*4.836*
- Losses on Cash Flow Hedges	*26*	*(2.083.886)*	*(59.162)*	*(1.235.849)*	(29.077)
Restricted Reserves	26	1.537.351	43.646	*1.696.783*	39.922
Retained Earnings		30.002.997	851.794	*17.750.114*	417.625
Profit for the Period		3.437.421	104.855	14.717.344	429.235
Non – Controlling Interests	26	2.544.325	72.234	*2.216.660*	52.154
Total Equity		**70.679.522**	**2.013.879**	**70.733.418**	**1.747.183**
Translation difference		--	(7.268)	--	(82.964)
Total Liabilities and Equity		**196.504.247**	**5.578.813**	**195.025.402**	**4.588.563**

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 2024 AND 2023

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

	Note	Audited Current Period 1 January- 31 December 2024 TL	Audited Current Period 1 January- 31 December 2024 USD	Audited Prior Period 1 January- 31 December 2023 TL	Audited Prior Period 1 January- 31 December 2023 USD
Revenue	27	52.104.028	1.589.385	50.249.159	1.465.530
Revenue from Financial Sector Activities	27	14.669.339	447.475	10.858.030	316.677
		66.773.367	2.036.860	61.107.189	1.782.207
Cost of Sales (-)	27	(36.251.684)	(1.105.824)	(34.412.600)	(1.003.653)
Cost of Sales from Financial Sector Activities (-)	27	(8.428.597)	(257.107)	(3.675.349)	(107.193)
		(44.680.281)	(1.362.931)	(38.087.949)	(1.110.846)
Gross Profit		**22.093.086**	**673.929**	**23.019.240**	**671.361**
General Administrative Expenses (-)		(4.749.977)	(144.894)	(4.398.744)	(128.291)
Marketing Expenses (-)		(873.471)	(26.644)	(417.956)	(12.190)
Research and Development Expenses (-)		(509.263)	(15.535)	(485.813)	(14.169)
Other Income from Operating Activities	29	1.469.682	44.831	2.287.201	66.707
Other Expense from Operating Activities (-)	29	(2.430.851)	(74.151)	(4.696.523)	(136.975)
Profit from Operations		**14.999.206**	**457.536**	**15.307.405**	**446.443**
Share of Profit / (Loss) from Investments Using the Equity Method	17	9.201.206	280.674	16.548.442	482.640
Income from Investing Activities	30	4.107.009	125.281	8.548.430	249.317
Expense from Investing Activities (-)	30	(107.441)	(3.277)	(193.176)	(5.634)
Profit before Financing Income		**28.199.980**	**860.214**	**40.211.101**	**1.172.766**
Financial Income	31	3.319.903	101.271	3.847.320	112.208
Financial Expenses (-)	31	(16.097.070)	(491.026)	(21.523.169)	(627.729)
Net Monetary Position	33	(8.738.449)	(266.558)	(6.486.954)	(189.194)
Profit from Continuing Operations		**6.684.364**	**203.901**	**16.048.298**	**468.051**
Current Period Tax (Expense)	32	(1.828.292)	(55.770)	(3.228.491)	(94.160)
Deferred Tax Income	32	(2.028.399)	(61.874)	3.050.982	88.983
Profit for the Period		**2.827.673**	**86.257**	**15.870.789**	**462.874**
Profit / (Loss), Attributable to					
Non – Controlling Interests	26	(609.748)	(18.598)	1.153.445	33.639
Owners of Parent		3.437.421	104.855	14.717.344	429.235
Earnings Per Share		**4,4297**	**--**	**18,9656**	**--**
EBITDA	**2.7**	**16.438.741**	**501.449**	**19.148.463**	**558.470**
- Group Companies		*12.139.449*	*370.303*	*13.165.276*	*383.969*
- Nurol Investment Bank		*4.299.292*	*131.146*	*5.983.187*	*174.501*

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 2024 unless otherwise expressed.)

	Audited Current Period 1 January- 31 December 2024	**Audited Prior Period 1 January- 31 December 2023**
Profit for the period	**2.827.673**	**15.870.789**
Items not to be reclassified to profit or loss	**134.969**	**(391.776)**
Revaluation gains/ (losses)	221.854	(366.131)
Remeasurement gains/ (losses) on defined benefit plans	(86.885)	(25.645)
Items to be reclassified to profit or loss	**(1.087.068)**	**2.892.817**
Revaluation of financial assets held for sale	156.439	198.179
Gains from cash flow hedge accounting for risk management	(848.037)	(803.959)
Foreign exchange gains/ (losses)	(395.470)	3.498.597
Other Comprehensive Income / (Expense)	**(952.099)**	**2.501.041**
Total Comprehensive Income	**1.875.574**	**18.371.830**
Distribution of Total Comprehensive Income		
- Non-controlling interests	(609.748)	1.153.445
- Parent company interests	***2.485.322***	***17.218.385***

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 2024 AND 2023

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

	Share Capital	**Share capital adjustment difference**	**Losses on Remeasurements of Defined Benefit Plans)**	**Revaluation and reclassification gains / (losses)**	**Foreign currency translation differences**	**Change in fair value of available-for-sale financial assets**	**Restricted reserves**	**Losses on cash flow hedges**	**Retained earnings**	**Net profit / (loss) for the period**	**Equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total**
Opening balance at 1 January 2024	**776.000**	**14.257.047**	**(123.587)**	**4.676.612**	**15.796.769**	**205.525**	**1.696.783**	**(1.235.849)**	**17.750.114**	**14.717.344**	**68.516.758**	**2.216.660**	**70.733.418**
Transfer to general reserves	–	–	–	221.854	–	(242.990)	(159.432)	–	14.897.912	(14.717.344)	–	–	–
Foreign exchange gains/losses	–	–	–	–	(395.470)	–	–	–	(4.133)	–	(399.603)	–	(399.603)
Cash flow hedge loss/gains	–	–	–	–	–	–	–	(848.037)	–	–	(848.037)	–	(848.037)
Remeasurement gains/losses on defined benefit plans	–	–	(86.885)	–	–	–	–	–	(2.769)	–	(89.654)	–	(89.654)
Effect of consolidation	–	–	–	–	–	–	–	–	(281.525)	–	(281.525)	–	(281.525)
Prior period loss adjustment	–	–	–	–	–	–	–	–	(338.915)	–	(338.915)	–	(338.915)
Dividends paid	–	–	–	–	–	–	–	–	(520.875)	–	(520.875)	–	(520.875)
Negative goodwill	–	–	–	–	–	–	–	–	(880.151)	–	(880.151)		(880.151)
Minority interests	–	–	–	–	–	–	–	–	(693.438)	–	(693.438)	327.665	(365.773)
Revaluation gains/(losses) on financial assets held for sale	–	–	–	–	–	156.439	–	–	76.777	–	233.216	–	233.216
Net profit for the period	–	–	–	–	–	–	–	–	–	3.437.421	3.437.421	–	3.437.421
Closing balance at 31 December 2024	**776.000**	**14.257.047**	**(210.472)**	**4.898.466**	**15.401.299**	**118.974**	**1.537.351**	**(2.083.886)**	**30.002.997**	**3.437.421**	**68.135.197**	**2.544.325**	**70.679.522**

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 2024 AND 2023

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

	Share Capital	**Share capital adjustment difference**	**Losses on Remeasurements of Defined Benefit Plans)**	**Revaluation and reclassification gains / (losses)**	**Foreign currency translation differences**	**Change in fair value of available-for-sale financial assets**	**Restricted reserves**	**Losses on cash flow hedges**	**Retained earnings**	**Net profit / (loss) for the period**	**Equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total**
Opening balance at 1 January 2023	**776.000**	**14.257.047**	**(97.942)**	**5.042.743**	**12.298.172**	**7.346**	**1.767.369**	**(431.890)**	**(1.958.526)**	**18.779.277**	**50.439.596**	**3.523.751**	**53.963.347**
Transfer to general reserves	--	--	--	--	--	--	73.581	--	18.705.696	(18.779.277)	--	--	--
Foreign exchange gains/losses	--	--	--	--	3.498.597	--	(577.629)	--	(51.263)	--	2.869.705	--	2.869.705
Cash flow hedge loss/gains	--	--	--	--	--	--	--	(803.959)	--	--	(803.959)	--	(803.959)
Remeasurement gains/losses on defined benefit plans	--	--	(25.645)	--	--	--	--	--	--	--	(25.645)	--	(25.645)
Dividends paid	--	--	--	--	--	--	433.462	--	(759.443)	--	(325.981)	--	(325.981)
Revaluation and reclassification gains / (losses)	--	--	--	(366.131)	--	--	--	--	--	--	(366.131)	--	(366.131)
Minority interests	--	--	--	--	--	--	--	--	1.813.650	--	1.813.650	(1.307.091)	506.559
Revaluation gains/(losses) on financial assets held for sale	--	--	--	--	--	198.179	--	--	--		198.179	--	198.179
Net profit for the period	--	--	--	--	--	--	--	--	--	14.717.344	14.717.344	--	14.717.344
Closing balance at 31 December 2023	**776.000**	**14.257.047**	**(123.587)**	**4.676.612**	**15.796.769**	**205.525**	**1.696.783**	**(1.235.849)**	**17.750.114**	**14.717.344**	**68.516.758**	**2.216.660**	**70.733.418**

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 2024 AND 2023

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

	Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	***3.437.421***	***14.717.344***
Adjustments to Reconcile Profit / (Loss)		
Adjustments for depreciation and amortisation expense	2.491.073	2.202.862
Adjustments for profits of investments accounted for using equity method	3.680.448	(120.811)
Adjustments for (reversal of) provisions related to employee benefits	(64.805)	(206.713)
Adjustments for (reversal of) provisions related to unused vacation	53.212	(22.268)
Other adjustments for other provisions	(343.742)	529.326
Adjustments for tax income /expenses	2.510.092	(4.481.914)
Adjustments for interest income /expenses	6.564.650	5.779.067
Adjustments for foreign exchange (losses) / gains	5.253.448	5.048.951
Revaluation gains / (losses)	(3.559.189)	(8.512.534)
Adjustments for fair value (gains) / losses on derivative financial instruments	96.923	375.834
Adjustments for losses / (gains) arise from sale of tangible assets	5.470	(160.460)
Adjustments for fair value (gains) / losses on financial investments	233.216	198.179
Adjustments for dividend income	(520.875)	(325.981)
Other adjustments	(333.026)	(6.781)
Negative goodwill	(880.151)	--
Effect of consolidation	(281.525)	--
Minority interests	(365.773)	506.559
Monetary gains / (losses)	(10.838.346)	(8.562.975)
Changes in net working capital	***2.620.566***	***12.860.450***
Increase / decrease in inventories	796.818	(1.489.095)
Increase / decrease in trade receivables	(742.475)	(18.847)
Increase / decrease in other receivables related to operations	4.432.467	(620.443)
Changes in assets / liabilities from customer contracts	1.395.467	9.942.368
Increase / decrease in employee benefits	(47.752)	(8.207)
Increase / decrease in prepaid expenses	87.419	(109.206)
Increase / decrease in other assets	(496.619)	725.765
Increase / decrease in trade payables	817.870	9.036.504
Increase / decrease in other payables related to operations	(181.352)	(178.557)
Increase / decrease in deferred income	(1.792.815)	(2.035.242)
Changes in financial investments	(111.315)	(88.681)
Tax refunds / payments	(1.674.031)	(2.856.198)
Increase / decrease in other liabilities	136.884	560.289
Cash Flows Generated from Operating Activities, net	**9.759.087**	**19.818.135**
B. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / repayments from borrowings	3.911.628	(17.643.691)
Interest paid	(6.564.650)	(5.779.067)
Cash flows from finance sector operations, net	(14.999.326)	(9.208.233)
Dividend paid	(53.412)	(113.372)
Nurol Bank bill payment	(52.923.277)	(19.245.959)
Nurol Bank bill issuance	59.275.478	19.061.775
Cash Flows Generated from Financing Activities, net	**(11.353.559)**	**(32.928.547)**
C. CASH FLOWS FROM INVESTMENT ACTIVITIES		
Net cash inflows and outflows from the purchase and sale of tangible fixed assets	(3.992.718)	(2.417.354)
Net cash inflows and outflows from the purchase and sale of intangible assets	(523.475)	(538.271)
Net cash inflows and outflows from the purchase and sale of investment properties	1.053.787	89.696
Cash Flows Used in Investment Activities, net	**(3.462.406)**	**(2.865.929)**
Inflation adjustment on cash	**4.539.557**	**8.860.532**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(517.321)**	**(7.115.809)**
D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**15.285.997**	**22.401.806**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**14.768.676**	**15.285.997**

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 2024 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 2024 and 2023 is as follows:

	Share Ratio (%)	**31.12.2024**	**31.12.2023**
Nurettin Çarmıklı	33,31	258.455	258.455
Figen Çarmıklı	33,31	258.455	258.455
M. Oğuz Çarmıklı	33,31	258.455	258.455
Other	<1	635	635
	100	**776.000**	**776.000**
Capital adjustment		14.257.047	14.257.047
	100	**15.033.047**	**15.033.047**

Consolidated Subsidiaries

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

	Share rate (%)	
	31.12.2024	**31.12.2023**
Construction Group		
Nurol İnşaat ve Ticaret A.Ş.	99,98	99,95
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	62,48	62,48
Energy Group		
Nurol Enerji Üretim ve Pazarlama A.Ş.	99,98	99,98
Nurol Solar Enerji Üretim A.Ş.	99,70	99,70
Nurol Göksu Elektrik Üretim A.Ş.	100,00	100,00
Enova Enerji Üretim A.Ş.	49,96	49,96
Enova Elektrik Enerjisi Toptan Satış A.Ş.	50,00	50,00
Defence Group		
FNSS Savunma Sistemleri A.Ş. (*)	100,00	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 2024 unless otherwise expressed.)

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

Consolidated Subsidiaries (Continued)

	Share rate (%)	
	31.12.2024	**31.12.2023**
Mining Group		
Tümad Madencilik Sanayi ve Ticaret A.Ş.	100,00	100,00
Service Group		
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.	99,90	99,90
Botim İşletme Yönetim ve Ticaret A.Ş.	75,00	75,00
Nurol Havacılık A.Ş.	99,99	99,99
Nurol Sigorta Aracılık Hizmetleri A.Ş.	99,70	99,70
Tourism Group		
Turser Turizm Servis ve Ticaret A.Ş.	99,99	99,99
Bosfor Turizm İşletmecilik A.Ş.	99,99	99,99
Finance Group		
Nurol Yatırım Bankası A.Ş.	96,33	96,33

(*) Nurol Holding, by the Board of Directors Decision numbered 2024/16 dated 10 December 2024, has acquired 49% of FNSS, thereby becoming the 100% owner. The Board of Directors' Decision regarding the acquisition was published in the Turkish Trade Registry Gazette dated 18 December 2024 numbered 11231.

(**) The financial statements of Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş. as of 31 December 2024 include the consolidation of Industrie Keramik Hochrhein GMBH, Nurol Technology Germany and Nurol Technology USA.

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. (31 December 2023: 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 31 December 2024 and 31 December 2023, 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.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

Joint Ventures Consolidated Using the Proportional Consolidation Method (Continued)

	Branches and Affiliates (%)	
	31.12.2024	**31.12.2023**
Özgün – Nurol Joint Venture	50	50
Nurol – YDA - Özka Joint Venture	65	65
Nurol – Mesa Joint Venture	50	50
Nurol – Gülsan Joint Venture	50	50
Nurol – Gülermak - Makyol Joint Venture	33,33	33,33
Nurol – Alkataş Joint Venture	50	--

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".

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

	Number of personnel	
	31.12.2024	**31.12.2023**
Nurol İnşaat ve Ticaret A.Ş.	6.662	6.050
Tümad Madencilik Sanayi ve Ticaret A.Ş.	978	959
FNSS Savunma Sistemleri A.Ş.	683	970
Nurol Makina Sanayi A.Ş.	609	605
Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş.	521	441
Nurol Yatırım Bankası A.Ş.	133	105
Nurol Holding A.Ş.	161	141
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	47	43
Enova Enerji Üretim A.Ş.	30	31
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.	18	19
Nurol Göksu Elektrik Üretim A.Ş.	16	16
Botim İşletme Yönetim ve Ticaret A.Ş.	16	17
Bosfor Turizm İşletmecilik A.Ş.	17	16
Nurol Havacılık A.Ş.	18	12
Nurol Sigorta Aracılık Hizmetleri A.Ş.	10	11
Enova Elektrik Enerjisi Toptan Satış A.Ş.	6	6
Nurol Solar Enerji Üretim A.Ş.	8	8
Turser Turizm Servis ve Ticaret A.Ş.	4	4
Nurol Enerji Üretim ve Pazarlama A.Ş.	3	3
Nurol Kontrol ve Aviyonik Sistemleri A.Ş.	2	38
	9.942	**9.495**

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 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 2024, the Company has a 50,23% floatation rate. The Company has three completed projects open for sale in Istanbul, namely Nurol Tower, Nurol Life and Nurol Park.

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

Nurol Enerji, was established on 18 August 1998 with the change of name of Lamaş Kalıp Makina Sanayi A.Ş. The Company operates in the energy sector in order to realize and invest in various power plant projects in the field of energy production based on various sources such as hydro, coal, solar, wind and natural gas. The Company is structured to participate in 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. Furthermore, a 1.7 MW solar energy license has been acquired and investment activities are ongoing.

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 (continued):

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 6 May 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%). Nurol Holding, by the Board of Directors Decision numbered 2024/16 dated 10 December 2024, acquired 49% of FNSS, thereby becoming the 100% owner. The Board of Directors' Decision regarding the acquisition was published in the Turkish Trade Registry Gazette dated 18 December 2024 numbered 11231.

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. FNSS, whose products are preferred by users in different countries, has delivered thousands of armoured combat vehicles to its users to date.

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 30.449 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.

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 (continued):

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

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

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

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

Nurol Makina ve Sanayi A.Ş. was established in 1976 as a company operating under Nurol Holding in order to establish turn-key industrial plants and to carry out large-scale contracting works on steel construction and machinery manufacturing. With the establishment of the Undersecretaries for 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.

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.

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 (continued):

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

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

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

Karum Yönetim was founded in Ankara in 1991 to manage Karum Trade and Shopping Centre. The 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.

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 early 1997, is an air taxi operator providing uninterrupted air taxi services for up to 8 hours with a 10 VIP seating capacity Falcon 2000 EX Easy business jet to both Nurol Group and external organizations. In addition, hangar services are provided to other aircrafts providing air taxi services with an Operating License approved General Directorate of State Airports Authority (DHMİ) in the closed hangar facilities on an area of 2.000 m² in the Hangar Zone of Ankara Esenboğa Airport.

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

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.

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

Turser Turizm Servis ve Ticaret A.Ş. was founded in 1985 and became part of the Nurol Group in 1993 after acquiring a hotel. In 2015, the company changed its name to Turser Turizm Servis Yayıncılık ve Tic. A.Ş. The company owns Sheraton Ankara Hotel & Convention Center and Lugal, A Luxury Collection Hotel Ankara. On September 23, 2016, the hotel was renovated and is operated in accordance with the Management Services Agreement, signed on December 4, 2009, as a result of the written agreement between the parties, the Sheraton Ankara Hotel & Convention Center System License and Technical Support Agreement, the The Luxury Collection Hotel Ankara System License and Technical Support Agreement, and the Central Services Agreement. These agreements are managed by Starwood EAME License and Services Company BVBA, a subsidiary of Marriott International Inc. The agreement, initially set to expire on December 31, 2026, has been extended until 31 December 2036.

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 (continued):

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.

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 Portföy Yönetim A.Ş. was established in 2020 to operate in the portfolio management services sector.

Ortak Varlık Yönetimi A.Ş. was established in 2020 to operate in the asset management sector.

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.

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

2.1 Basis of Presentation (Continued)

Functional and reporting presentation currency (continued)

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

The functional and reporting currency of Tümad Madencilik, Nurol Makina, FNSS, Nurol Havacılık, Nurol Solar Enerji and Nurol Teknoloji 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 2024 assets and liabilities have been converted into TL at the relevant buying rate of the CBRT as of the balance sheet dates.

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

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

Adjustment of financial statements in hyperinflationary periods

The Group prepared its consolidated financial statements as at and for the year ended 31 December 2023 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies".

TAS 29 is applied to the financial statements of enterprises, including consolidated financial statements, whose functional currency is the currency of a hyperinflationary economy.

The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the reporting period and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of 31 December 2023, on the purchasing power basis as of 31 December 2024.

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 2024 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)

As of 31 December 2024, the indices and adjustment coefficients used in the preparation of the consolidated financial statements are as follows:

Date	Index	Adjustment Factor	Three Year Cumulative Inflation Rates
31 December 2024	2.684,55	1,00000	291%
31 December 2023	1.859,38	1,44379	268%
31 December 2022	1.128,45	2,37897	156%

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

- The consolidated financial statements for the current period prepared in TL are expressed in terms of the purchasing power of money as of the balance sheet date, with the amounts from previous reporting periods also adjusted according to the purchasing power of money as of the latest balance sheet date.

- Monetary assets and liabilities (cash and cash equivalents, trade receivables and payables, borrowings, etc.) are not restated as they are already expressed in terms of the current purchasing power as of the balance sheet date. In cases where the inflation-adjusted values of non-monetary items (inventories, tangible and intangible fixed assets, equity items, etc.) exceed their recoverable amounts or net realizable values, the provisions of TAS 36 and TAS 2 have been applied, respectively.

- Non-monetary assets and liabilities, as well as equity items that are not expressed in terms of the current purchasing power as of the balance sheet date, have been restated using the relevant adjustment coefficients.

- All items in the income statement, except for non-monetary items in the balance sheet that affect the income statement, have been indexed using the coefficients calculated based on the periods in which income and expense accounts were initially reflected in the financial statements.

- Companies holding higher monetary assets than their monetary liabilities experience a weakening of purchasing power due to inflation, while those with higher monetary liabilities than monetary assets see an increase in purchasing power. The net monetary position gain or loss has been derived from the adjustment differences of non-monetary items, equity, items in the income statement and other comprehensive income statement, as well as index-linked monetary assets and liabilities.

- The effect of inflation on the Group's net monetary asset position for the current period has been recorded in the income statement under the net monetary position loss account (Note 33).

Approval of consolidated financial statements

These consolidated financial statements as of and for the year ended 31 December 2024 have been approved for issue by the Board of Directors on 11 March 2025. 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. Basis of Presentation of the Consolidated Financial Statements (Continued)

2.2 Restatement and Errors in the Accounting Policies Estimates

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

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

In order to identify the trends in financial position and performance, the Company's financial statements are prepared on a comparative basis with the previous period. To ensure consistency in the presentation of the current period's financial statements, comparative information is reclassified when deemed necessary, and significant differences are explained. The Company has applied consistent accounting policies in the financial statements for the periods presented, and there have been no significant changes in accounting policies or estimates during the current period.

Accounting policy changes arising from the initial application of a new standard, if any, are applied retroactively or prospectively in accordance with the transition provisions. Changes that do not include any transition provisions, significant voluntary changes in accounting policies, or identified accounting errors are applied retrospectively, and the previous period's financial statements are restated. Changes in accounting estimates, if they pertain to a single period, are applied in the current period in which the change occurred, and if they pertain to future periods, they are applied both in the period of the change and prospectively.

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:

(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.

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

2.4 Principles of Consolidation (Continued)

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.

Subsidiaries ve financial investments

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

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

Non-controlling interests

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

Transactions eliminated on consolidation

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

2.5 New and Amended Turkish Financial Reporting Standards

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

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

2.5 New and Amended Turkish Financial Reporting Standards (Continued)

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

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

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

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

According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

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

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

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

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid.

The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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

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

2.5 New and Amended Turkish Financial Reporting Standards (Continued)

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

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

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

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

TFRS 17 – The new Standard for insurance contracts

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

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

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

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

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

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

2.5 New and Amended Turkish Financial Reporting Standards (Continued)

iii) The amendments which are effective immediately upon issuance

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

The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

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

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

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

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

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

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.

- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price.

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

2.5 New and Amended Turkish Financial Reporting Standards (Continued)

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

- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.

- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

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

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

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

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

The standard is not applicable for the Group.

2.6 Summary of Significant Accounting Policies

Cash and cash equivalents

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

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

2.6 Summary of Significant Accounting Policies (Continued)

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.

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.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment (continued)

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
Vehicles	3-5 years
Furniture, fixtures and office equipment	4-50 years

Intangible assets and amortization

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

Energy licenses

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

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

Mining extraction rights and mining exploration, drilling and development expenses

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

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Intangible assets and amortization (continued)

Mining extraction rights and mining exploration, drilling and development expenses (continued)

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."

Tümad Madencilik has 16 mining licenses in total. Information on licenses is as follows:

License (Registration) Number	Province	County	License Enforcement Date	Essence	Period
86082	Çanakkale	Lapseki	04.09.2009	Operating License	25
90631	Balıkesir	İvrindi	21.01.2014	Operating License	30
17798	Çanakkale	Lapseki	16.12.2019	Operating License	10
27480	Çanakkale	Lapseki	15.11.2019	Operating License	10
79099	Çanakkale	Lapseki	16.12.2019	Operating License	10
69703	Çanakkale	Lapseki	16.12.2019	Operating License	10
88919	Çanakkale	Çan	17.07.2018	Operating License	10
61515	Çanakkale	Merkez	29.05.2019	Operating License	10
68955	Çanakkale	Lapseki	20.01.2020	Operating License	15
202400775	İzmir	Bergama	24.06.2024	Search License	7
202401109	Çanakkale	Lapseki	02.10.2024	Search License	7
202401110	Çanakkale	Lapseki	02.10.2024	Search License	7
202401112	Çanakkale	Lapseki	02.10.2024	Search License	7
202401108	Çanakkale	Lapseki	02.10.2024	Search License	7
202401114	Kütahya	Simav	02.10.2024	Search License	7
202401310	Kastamonu	Bozkurt	13.12.2024	Search License	7

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

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

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

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Intangible assets and amortization (continued)

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

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.

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
Software licenses	2-3 years
Geliştirme giderleri	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.

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

2.6 Summary of Significant Accounting Policies (Continued)

Intangible assets and amortization (continued)

Derecognition of intangible assets

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

Investment properties

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

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

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

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

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

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

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

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

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

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

2.6 Summary of Significant Accounting Policies (Continued)

Investment properties (continued)

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

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

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

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

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

Sheraton Hotel Batumi has been revalued in 2024 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.

In 2024, the Sheraton Ankara Hotel & Convention Center and Lugal, A Luxury Collection Hotel Ankara, both classified as investment properties of Turizm Servis ve Ticaret A.Ş have been revalued in 2024 with the appraisal report dated 12 November 2024 issued by TSKB Gayrimenkul Değerleme A.Ş. The difference between the revalued amount and the carrying amount (according to the appraisal report) has been recorded in the income statement within the consolidated financial statements under the account "Investment Property Revaluation."

The land, plots, and buildings of Nurol İnşaat A.Ş., classified as investment property, were revalued in 2024 based on expert reports provided by Smart Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. The difference between the revalued amount and the carrying amount (according to the appraisal reports) has been recorded in the consolidated financial statements under the 'Investment Property Revaluation' account in the income statement."

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

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.

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

2.6 Summary of Significant Accounting Policies (Continued)

Finance leases (continued)

The Group - as the lease (continued)

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;

- 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.

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.

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

2.6 Summary of Significant Accounting Policies (Continued)

Finance leases (continued)

Group - as a lessor (continued)

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 directly related to the acquisition or issuance of financial assets and liabilities are recognized directly in profit or loss.

Financial assets

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

The Group manages its financial assets (a) the business model used by the entity to manage financial assets, (b) the amortized cost at subsequent recognition based on the characteristics of the contractual cash flows of the financial asset, through fair value through other comprehensive income or at fair value through profit or loss. classifies as measured through loss.

Only when an entity changes its business model for the management of financial assets, it reclassifies all affected financial assets. The reclassification of financial assets is applied prospectively from the date of reclassification. In such cases, no adjustments are made for gains, losses (including impairment gains or losses) or interest previously recognized.

Classification of financial assets

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

- holding the financial asset under a business model aimed at collecting contractual cash flows; and;
- the contractual terms of the financial asset give rise to cash flows on certain dates that include only payments of principal and interest on the principal balance.

Financial assets that meet the following conditions are recognized at fair value through other comprehensive income. measured by reflection:

- holding the financial asset under a business model aimed at collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the financial asset give rise to cash flows on certain dates that include only payments of principal and interest on the principal balance.

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

Unless a financial asset is measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss.

At initial recognition, the Group may irrevocably choose to present any subsequent changes in fair value of its investment in a non-trading equity instrument in other comprehensive income.

(i) Amortized cost and effective interest method

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

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

a) Financial assets that are credit-impaired when purchased or created. For such financial assets, an entity applies a credit-adjusted effective interest rate to the amortized cost of the financial asset since initial recognition.

b) Financial assets that were not credit-impaired financial assets at the time of purchase or origination but subsequently become credit-impaired financial assets. For such financial assets, the entity applies the effective interest rate to the amortized cost of the asset in subsequent reporting periods.

Interest income is accounted for using the effective interest method for debt instruments with amortized costs at subsequent recognition and at fair value through other comprehensive income.

Interest income is recognized in the consolidated statement of profit or loss and presented in the "financial income – interest income" item.

(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

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

<u>*Financial assets (continued)*</u>

Classification of financial assets (continued)

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

- 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 denominated in foreign currency is determined in the relevant foreign currency and translated at the prevailing exchange rate at the end of each reporting period. Especially,

- exchange differences are recognized in profit or loss for financial assets that are shown at amortized cost and are not part of a defined hedge;
- exchange differences calculated over the amortized cost of debt instruments that are measured at fair value through other comprehensive income and that are not part of a defined hedging transaction are recognized in profit or loss for the period. All other exchange differences that occur are recognized in other comprehensive income;
- exchange differences on financial assets that are measured at fair value through profit or loss and that are not part of a defined hedging transaction are recognized in profit or loss for the period; and
- exchange differences on equity instruments measured at fair value through other comprehensive income are recognized in other comprehensive income.

Impairment of financial assets

The Group makes an impairment provision in its financial statements for debt instruments, lease receivables, trade receivables, assets arising from contracts with customers, as well as expected credit losses on investments in financial guarantee contracts, which are carried at amortized cost or measured at fair value through other comprehensive income. The expected credit loss amount is updated each reporting period to reflect changes in credit risk since the financial asset was first recognized.

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.

Measuring and accounting for expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss-on-default (e.g., magnitude of loss if defaulted), and the amount at risk given default. The assessment of the probability of default and loss-on-default is based on historical data adjusted with forward-looking information. In the event of default, the amount of financial assets subject to risk is reflected over the gross book value of the related assets at the reporting date.

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Measuring and accounting for expected credit losses (continued)

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

An entity measures the financial liability at fair value on initial recognition. In the initial measurement of liabilities other than those at fair value through profit or loss, transaction costs directly attributable to their acquisition or issuance are added to the fair value.

An entity classifies all financial liabilities as measured at amortized cost at subsequent recognition, except for:

a) Financial liabilities at fair value through profit or loss: These liabilities, including derivatives, are measured at fair value at subsequent recognition.

b) Financial liabilities arising when the transfer of the financial asset does not meet the conditions for derecognition or if the continuing relationship approach is applied: If the Group continues to present an asset in the financial statements to the extent of its continuing relationship, it also reflects a related liability in the financial statements. The transferred asset and the associated liability are measured to reflect the rights and obligations that the entity continues to hold. The liability attached to the transferred asset is measured in the same manner as the net book value of the transferred asset.

c) Contingent consideration recognized by the acquirer in a business combination to which TFRS 3 is applied: After initial recognition, the fair value changes in such contingent consideration are measured through profit or loss.

The entity does not reclassify any financial liabilities.

Derecognition of financial liabilities

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

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

2.6 Summary of Significant Accounting Policies (Continued)

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 a rediscount is recorded for interest expenses. Securities purchased with a commitment to resell ("reverse repo"), on the other hand, are shown as a separate item under the main item "Money Markets". Income accrual is calculated for the difference between the purchase and resale prices of securities purchased through reverse repurchase agreements.

Advances and loans given to customers

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

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

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

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

Available for sale financial assets

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

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

2.6 Summary of Significant Accounting Policies (Continued)

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.

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:

(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.

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

2.6 Summary of Significant Accounting Policies (Continued)

Related parties (continued)

(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.

The company has defined its senior management as the members of the board of directors, the general manager, and the assistant general managers.

Revenue

The Group recognizes revenue in the consolidated financial statements as the transaction price corresponding to the performance obligation is satisfied, either when or as the performance obligation is transferred to the customer. Revenue is recognized when (or as) control of the goods or services passes to the customer.

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,
e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Income from construction contracts

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

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

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

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

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

2.6 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

Income from construction contracts (continued)

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

The Group uses the "percentage-of-completion method" to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Each project contract is evaluated by the technical teams regarding the expected change in the upcoming costs and the profitability of the contracts that is determined as of the balance sheet dates.

Besides the amounts of the contracts subjected to escalation as of the reporting date, are estimated based on the contract details.

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

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

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

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

Rendering of services

Revenue acquired from rendering of services is recognized according to the stage of completion.

Electricity sales revenue

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

Ballistic and armor products sales

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

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

2.6 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

Ongoing project activities

Project revenue and costs are recognized as revenue and expenses, respectively, when the outcome of a construction contract can be estimated reliably.

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

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

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

Gold sales revenues

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

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.

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

2.6 Summary of Significant Accounting Policies (Continued)

Revenue (continued)

Finance sector

Explanations on futures and options contracts and derivatives

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

Explanations on interest income and expense

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

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

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

Explanations on fees and commission income and expenses

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

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.

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

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

2.6 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill (continued)

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.

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 273.523 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 2024.

Earnings per share

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

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

Offsetting

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

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.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Provisions, contingent assets and liabilities

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

Contingent assets and liabilities

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

Foreign Currency Transactions

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

	31 December 2024	31 December 2023
USD	35,2233	29,4382
EUR	36,7429	32,5739
GBP	44,2458	37,4417
DZD (Algeria Dinar)	0,24467	0,21964
GEL (Georgia Lari)	12,5687	10,9616
AED (Arab Emirates United Dirham)	9,5361	7,9704
RON (Romania Leu)	7,3414	6,5113

Government grants and incentives

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

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

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

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Onerous contracts

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

Employee benefits

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

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

The severance pay liability in the accompanying consolidated financial statements has been calculated in accordance with the recognition and valuation principles specified in TAS 19 "Employee Benefits". Since the severance pay obligations are identical with the 'Specific Post-employment Benefit Plans' defined in this standard in terms of their characteristics, these liabilities have been calculated and included in the financial statements using some of the assumptions explained below.

The main assumptions used as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Interest rate	27,15%	25,05%
Inflation rate	23,03%	21,41%

TAS 19 ("Employee Benefits") has been revised to be valid for accounting periods beginning after 1 January 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 sources used by the Group for its financing activities and the repayments of these sources.

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.

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

2.6 Summary of Significant Accounting Policies (Continued)

Statement of cash flows (continued)

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.

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.

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

2.6 Summary of Significant Accounting Policies (Continued)

Taxes calculated on corporate income and deferred tax (continued)

Current and deferred income tax

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

2.7 Use of Estimates

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

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

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

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

4. Segment Reporting

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

31.12.2024	**Holding**	**Construction and Real Estate**	**Energy**	**Defence**	**Service**	**Tourism**	**Mining**	**Finance (Bank)**	**Eliminations**	**Total**
Total assets	43.184.757	79.763.101	10.580.701	31.922.318	1.059.801	3.904.915	26.294.933	52.257.025	(52.463.304)	196.504.247
Total liabilities	43.184.757	79.763.101	10.580.701	31.922.318	1.059.801	3.904.915	26.294.933	52.257.025	(52.463.304)	196.504.247

31.12.2023	**Holding**	**Construction and Real Estate**	**Energy**	**Defence**	**Service**	**Tourism**	**Mining**	**Finance (Bank)**	**Eliminations**	**Total**
Total assets	40.708.934	80.476.984	11.498.292	37.818.918	1.100.212	2.230.854	25.258.631	44.679.574	(48.746.997)	195.025.402
Total liabilities	40.708.934	80.476.984	11.498.292	37.818.918	1.100.212	2.230.854	25.258.631	44.679.574	(48.746.997)	195.025.402

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

4. Segment Reporting (Continued)

31 December 2024, details of the Group's income statement by segment is as follows:

1 January – 31 December 2024	Holding	Construction and Real Estate	Energy	Defence	Service	Tourism	Mining	Finance (Bank)	Eliminations	Total
Revenue	765.734	23.329.878	1.601.744	10.157.628	359.795	802.680	16.607.991	--	(1.521.422)	52.104.028
Finance sector operating income	--	--	--	--	--	--	--	15.639.276	(969.937)	14.669.339
Cost of sales (-)	(726.158)	(18.132.653)	(1.329.301)	(8.039.186)	(303.055)	(558.275)	(7.753.390)	--	590.334	(36.251.684)
Finance sector operating cost (-)	--	--	--	--	--	--	--	(8.428.597)	--	(8.428.597)
Gross profit / (loss)	**39.576**	**5.197.225**	**272.443**	**2.118.442**	**56.740**	**244.405**	**8.854.601**	**7.210.679**	**(1.901.025)**	**22.093.086**
Operating expenses (-)	(125.332)	(2.017.252)	(132.698)	(1.761.632)	(42.358)	(177.544)	(1.062.876)	(1.744.107)	931.088	(6.132.711)
Other operating income / (expenses), net	(97.794)	(278.004)	(109.586)	52.893	(6.185)	9.768	(194.973)	(337.288)	--	(961.169)
Operating profit / (loss)	**(183.550)**	**2.901.969**	**30.159**	**409.703**	**8.197**	**76.629**	**7.596.752**	**5.129.284**	**(969.937)**	**14.999.206**
Shares from profit / (loss) from investments revalued with the equity method	--	9.201.206	--	--	--	--	--	--	--	9.201.206
Income /(expenses) from investing activities, net	21.873	2.088.943	113	8.647	405	1.699.439	12.012	168.136		3.999.568
Financial income /(expenses), net	199.802	(15.050.063)	347.791	(4.314.772)	(7.237)	14.962	(1.186.814)	(2.489.222)	969.937	(21.515.616)
Profit/(loss) before tax from continued operations	**38.125**	**(857.945)**	**378.063**	**(3.896.422)**	**1.365**	**1.791.030**	**6.421.950**	**2.808.198**	**--**	**6.684.364**
Tax (expense) for the year	--	(63.193)	--	(8.272)	(10.253)	--	(1.218.439)	(528.135)	--	(1.828.292)
Deferred tax income/(expense)	(13.088)	(2.221.745)	(1.033.083)	887.603	10.259	277.922	63.733	--	--	(2.028.399)
Net profit/(loss) from continued operations	**29.614**	**(3.138.132)**	**(655.020)**	**(3.014.661)**	**1.371**	**2.068.952**	**5.267.244**	**2.280.063**	**(11.758)**	**2.827.673**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 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	483.359	21.104.775	1.988.327	12.457.006	214.094	824985	15.384.162	--	(2.207.549)	50.249.159
Finance sector operating income	--	--	--	--	--	--	--	11.885.021	(1.026.991)	10.858.030
Cost of sales (-)	(455.541)	(16.734.607)	(1.712.608)	(9.613.371)	(224.889)	(514.102)	(6.744.348)	--	1.586.866	(34.412.600)
Finance sector operating cost (-)	--	--	--	--	--	--	--	(3.675.349)	--	(3.675.349)
Gross profit / (loss)	**27.818**	**4.370.168**	**275.719**	**2.843.635**	**(10.795)**	**310.883**	**8.639.814**	**8.209.672**	**(1.647.674)**	**23.019.240**
Operating expenses (-)	(81.099)	(1.732.141)	(76.371)	(1.561.907)	(29.668)	(172.049)	(650.448)	(1.619.513)	620.683	(5.302.513)
Other operating income / (expenses), net	(1.454.098)	(385.787)	(569.408)	32.127	(11.786)	(3.390)	(336.161)	319.181	--	(2.409.322)
Operating profit / (loss)	**(1.507.379)**	**2.252.240**	**(370.060)**	**1.313.855**	**(52.249)**	**135.444**	**7.653.205**	**6.909.340**	**(1.026.991)**	**15.307.405**
Shares from profit / (loss) from investments revalued with the equity method	--	16.548.442	--	--	--	--	--	--	--	16.548.442
Income /(expenses) from investing activities, net	8.801	8.327.366	78	(956)	450	23.828	4.396	(8.709)	--	8.355.254
Financial income /(expenses), net	(4.306.611)	(15.964.122)	923.000	(2.222.083)	(18.730)	111.998	(715.030)	(2.998.216)	1.026.991	(24.162.803)
Profit/(loss) before tax from continued operations	**(5.805.189)**	**11.163.926**	**553.018**	**(909.184)**	**(70.529)**	**271.270**	**6.942.571**	**3.902.415**	**--**	**16.048.298**
Tax (expense) for the year	--	(113.123)	--	(38.834)	(6.214)	(385)	(1.431.790)	(1.638.145)	--	(3.228.491)
Deferred tax income/(expense)	41.284	(811.879)	2.695.952	1.298.247	(23.239)	(90.039)	(59.344)	--	--	3.050.982
Net profit/(loss) from continued operations	**(5.763.905)**	**10.238.924**	**3.248.970**	**350.229**	**(99.982)**	**180.846**	**5.451.437**	**2.264.270**	**--**	**15.870.789**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

5. Related Party Disclosures

a) Current trade receivables from related parties	**31.12.2024**	**31.12.2023**
Otoyol İşletme ve Bakım A.Ş.	111.941	15.994
Nurol Grup Elektrik Toptan Satış A.Ş.	34.846	49.585
Çarmıklı Family	10.109	1.559
Otoyol Yatırım ve İşletme A.Ş.	8.968	14.488
Binom Highend Mühendislik A.Ş.	742	--
Enom Elektrikli Araç Şarj Sistemleri ve Enerji Ticaret A.Ş.	559	--
SGO İnşaat Sanayi ve Ticaret A.Ş.	120	3.511
Çarmad Madencilik Sanayi ve Ticaret Ltd. Şti	119	452
Industriekeramik Hochrhein GmbH	--	3.575
Nurol Tower Site Yönetimi	--	664
Nurol Park Site Yönetimi	--	198
Other	573	424
	167.977	**90.450**

b) Non-Current trade receivables from related parties	**31.12.2024**	**31.12.2023**
Otoyol Yatırım ve İşletme A.Ş.	17.598	4.265
	17.598	**4.265**

c) Current trade payables to related parties	**31.12.2024**	**31.12.2023**
Nurol Grup Elektrik Toptan Satış A.Ş.	36.800	26.509
SGO İnşaat Sanayi ve Ticaret A.Ş.	28.826	22.669
Other	--	8
	65.626	**49.186**

d) Other current receivables from related parties	**31.12.2024**	**31.12.2023**
Çarmıklı Family	90.497	6.643
Nurol Makina Hungary KFT.	61	--
Çarmad Madencilik Sanayi ve Ticaret Ltd. Şti	5	13
Nurol Technology Germany GmbH	--	498.104
Nurol Technology USA, LLC	--	15.986
Nurol Makina UK LTD.	--	5.553
SGO İnşaat Sanayi ve Ticaret A.Ş.	--	342
Nurol Grup Elektrik Toptan Satış A.Ş.	--	10
Other	3	67
	90.566	**526.718**

e) Other non-current receivables from related parties	**31.12.2024**	**31.12.2023**
Otoyol Yatırım ve İşletme A.Ş.	--	242.676
	--	**242.676**

(Currency – Thousand Turkish Liras “(TL)” in terms of purchasing power of the “TL” at 31 December 2024 unless otherwise expressed.)

5. Related Party Disclosures (Continued)

f) Other current payables to related parties	**31.12.2024**	**31.12.2023**
Çarmıklı Family	38.564	56.168
Otoyol Yatırım ve İşletme A.Ş.	--	2.515
Other	149	353
	38.713	**59.036**

g) Advances from related parties	**31.12.2024**	**31.12.2023**
Nurol Makina Hungary KFT.	733.913	--
Nurol Grup Elektrik Toptan Satış A.Ş.	15.300	--
BAE Systems (Operations) Limited	--	23.918
	749.213	**23.918**

6. Cash and Cash Equivalents

	31.12.2024	**31.12.2023**
Cash	2.351.769	720.271
Banks		
- demand deposits	4.076.798	4.011.222
- time deposits	2.974.216	1.163.140
- blocked deposits	--	130.342
Due from banks and financial institutions	4.735.100	6.837.181
Central Bank deposit reserve	595.084	2.322.296
Currency protected deposits	--	56.965
Reverse repo transactions	--	1.642
Credit card receivables	35.709	42.938
	14.768.676	**15.285.997**

The details of the banks on a company basis as of 31 December 2024, and 2023, are as follows:

	31.12.2024	**31.12.2023**
Tümad Madencilik	2.683.947	1.540.449
Nurol İnşaat	2.920.089	1.447.614
FNSS	675.105	658.028
Nurol Makina	430.812	145.336
Nurol Holding	160.394	1.134.079
Nurol Teknoloji	46.018	126.743
Turser	39.708	27.059
Nurol Göksu	20.294	14.874
Nurol Gayrimenkul	16.807	152.286
Nurol Havacılık	13.777	17.068
Nurol CAS	3.029	3.930
Enova Enerji	1.014	95
Enova Toptan	704	2.600
Other	39.316	34.543
	7.051.014	**5.304.704**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

7. Trade Receivables and Payables

Current trade receivables	**31.12.2024**	**31.12.2023**
Current trade receivables		
<u>Construction Group</u>		
- Nurol Algeria Branch	1.642.520	2.536.435
- Nurol Romania Branch	1.298.711	148.648
- Nurol LLC OPC	743.058	633.206
- Nurol İnşaat ve Ticaret A.Ş.	633.728	571.916
- Nurol Gülermak Makyol Joint Venture	312.525	57.701
- Nurol Georgia Branch	12.501	12.279
- Alkataş Nurol Joint Venture	8.727	--
- Nurol YDA Özka Joint Venture	5.041	66.808
- Nurol Mesa Joint Venture	2.084	15.164
- Gülsan Nurol Joint Venture	--	20.648
<u>Holding Group</u>		
- Nurol Makina	1.285.701	667.629
- FNSS	572.582	1.235.020
- Nurol Teknoloji	515.659	329.640
- Turser Turizm	33.088	65.964
- Enova Toptan Satış	27.627	28.692
- Nurol Solar Enerji	18.156	36.331
- Nurol GYO	11.764	13.001
- Botim İşletme	11.187	7.166
- Bosfor Turizm	8.683	15.912
- Nurol Holding	286	309
- Nurol CAS	6	1.707
Current trade receivables from related parties (Note 5)	167.977	90.450
Other trade receivables	20.499	22.319
Notes receivable	14.497	40.520
Doubtful trade receivables	86.099	52.603
Provision for doubtful trade receivables (-)	(86.099)	(52.603)
	7.346.607	**6.617.465**

Non-current trade receivables	**31.12.2024**	**31.12.2023**
Non-current trade receivables		
Non-current trade receivables from related parties (Note 5)	17.598	4.265
	17.598	**4.265**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

7. Trade Receivables and Payables (Continued)

Current trade payables	**31.12.2024**	**31.12.2023**
Current trade payables		
Construction Group		
- Nurol Romania Branch	1.766.186	145.391
- Nurol LLC OPC	1.304.741	2.370.928
- Nurol Algeria Branch	451.685	707.482
- Nurol Gülermak Makyol Joint Venture	341.509	314.887
- Nurol İnşaat ve Ticaret A.Ş.	326.712	720.371
- Nurol Georgia	137.110	31.779
- Alkataş Nurol Joint Venture	34.216	--
- Özgün Nurol Joint Venture	5.540	1.149
- Nurol Mesa Joint Venture	4.252	5.138
- Gülsan Nurol Joint Venture	2.029	12.274
- Nurol YDA Özka Joint Venture	227	75.597
Holding Group		
- FNSS	3.023.386	5.104.812
- Nurol Makina	850.623	1.103.041
- Tümad Madencilik	496.216	560.936
- Nurol Sigorta	292.002	92.844
- Nurol Teknoloji	264.807	173.618
- Nurol GYO	172.193	400.263
- Turser Turizm	37.498	39.258
- Nurol Holding	31.327	14.617
- Bosfor Turizm	14.831	19.072
- Enova Enerji	13.306	17.204
Current accounts of credit customers (Nurol Yatırım Bankası)	21.135.103	17.340.676
Trade payables to related parties (Note 5)	65.626	49.186
Other trade payables	46.261	13.490
Notes payable	15.636	43.561
	30.833.022	**29.357.574**

Non-Current trade payables	**31.12.2024**	**31.12.2023**
Non-Current trade payables		
Nurol İnşaat trade payables (*)	4.328.329	4.985.907
	4.328.329	**4.985.907**

(*) 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 2024 unless otherwise expressed.)

8. Financial Investments

Current	31.12.2024	31.12.2023
Stock shares and investment funds (*)	159.069	23.736
Eurobond (**)	72.808	96.826
	231.877	**120.562**

(*) As of 31 December 2024, TL 133.368 of the investment fund is largely comprised of the Nurol Portfolio Money Market (TL) Fund and the Deniz Portfolio Twelfth Free (Foreign Currency) Fund.

(**) Nurol GYO holds a debt security issued by the Turkish Treasury Undersecretariat, with a nominal value of USD 2.056 thousand, a coupon rate of 4.25%, and a maturity date of 6 May 2025.

9. Receivables From Financial Sector Activities

Current	31.12.2024	31.12.2023
Financial leasing receivables	--	231.765
Current loan receivables	3.845.421	7.138.840
Assets held for sale	87.944	130.410
Held for sale trading investments – Nurol Bank		
- Turkish government bonds -TL	55.135	89.594
Held for sale – Nurol Bank		
Borrowing instruments - TL (*)	13.075.844	8.636.384
Equity instruments	9.176	80.669
Expected credit loss (-) (**)	(9.797)	(11.193)
	17.063.723	**16.296.469**

Non-Current	31.12.2024	31.12.2023
Non-Current loan receivables	14.036.253	8.553.421
Receivables from other financial operations	7.759.538	2.248.161
	21.795.791	**10.801.582**

(*) The portion of TL 303.960 in financial assets at fair value through other comprehensive income consists of government bonds (31 December 2023: TL 517.819), TL 46.948 consists of bank bills (31 December 2023: TL 13.215) and 3.851.982 TL consists of securities issued by the private sector (31 December 2023: TL 3.989.063) , TL 1.261.250 consist of domestic banks (31 December 2023: TL 957.045) , TL 2.241.319 from the Turkish Treasury (31 December 2023: 1.364.697) , TL 4.396.491 from the private sector (31 December 2023: TL 1.783.352) , and TL 964.097 from foreign bank (31 December 2023: None.).

(**) As of 31 December 2024, a provision of TL 9.797 has been set aside for financial assets at fair value through other comprehensive income. (31 December 2023: TL 11.193)

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

10. Financial Borrowings

Current financial borrowings	31.12.2024	31.12.2023
Current bank borrowings	16.079.352	20.601.767
Short-term portions of long-term loan	5.007.848	2.377.071
Financial lease payables	126.652	310.391
Interest accruals	451.170	476.313
Total current financial borrowings	**21.665.022**	**23.765.542**

Non-Current financial borrowings	31.12.2024	31.12.2023
Non-Current bank borrowings	21.504.025	20.365.781
Financial lease payables	178.603	399.048
Total non-current financial borrowings	**21.682.628**	**20.764.829**
Total financial borrowings	**43.347.650**	**44.530.371**

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

	Average Interest	Foreign Currency	Amount "TL"	Foreign Currency	Amount "TL"
Current	**Rate%**	**31.12.2024**		**31.12.2023**	
Bank loans					
- TL	52,65	3.190.792	3.190.792	2.878.208	2.878.208
- USD	9,34	438.196	15.434.706	577.290	16.994.368
- EUR	9,61	66.998	2.461.702	95.360	3.106.262
Financial lease payables					
- EUR		43	1.571	5.212	169.762
- USD		1.760	61.993	2.541	74.806
- TL		63.088	63.088	65.823	65.823
Interest accruals		--	451.170	--	476.313
			21.665.022		**23.765.542**
Non-Current					
Bank loans					
- TL	52,65	1.117.374	1.117.374	203.643	203.643
- USD	9,34	168.990	5.952.368	161.036	4.740.605
- EUR	9,61	107.517	3.950.485	116.297	3.788.252
Nurol LLC OPC loans (EUR)		15.278	561.362	9.481	308.829
Georgia loans (GEL)		13.994	175.882	43.494	476.763
Financial lease payables					
- EUR		23	850	--	--
- USD		2.200	77.491	5.716	168.261
- TL		100.262	100.262	230.787	230.787
Reclassified financial liabilities (*)					
- TL	52,65	3.119.189	3.119.189	2.555.548	2.555.548
- USD	9,34	166.563	5.866.890	190.020	5.593.859
- EUR	9,61	14.813	521.756	60.776	1.979.719
Nurol LLC OPC loans (EUR)		6.497	238.719	22.059	718.563
			21.682.628		**20.764.829**
Total			**43.347.650**		**44.530.371**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

10. Financial Borrowings (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 borrowings are as follows:

	31.12.2024	**31.12.2023**
Within 1 year	21.665.022	23.765.542
1 – 2 years	18.155.632	11.943.309
2 – 3 years	1.766.383	6.460.036
3 – 4 years	1.683.216	2.291.707
4 – 5 years	77.397	34.957
5 – 6 years	--	34.820
	43.347.650	**44.530.371**

Debt Securities Issued

a) Current debt securities and bonds issued

	31.12.2024	**31.12.2023**
Bank bills	9.708.248	2.905.574
Bonds issued	785.061	1.124.035
	10.493.309	**4.029.609**

b) Non-Current debt securities and bonds issued

	31.12.2024	**31.12.2023**
Bonds issued	2.500.000	3.869.351
	2.500.000	**3.869.351**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

10. Financial Borrowings (Continued)

Debt Securities Issued (continued)

The non-redemption of the issues made by the Group as of 31 December 2024 are listed below;

Issue Type	Issue Date	Due Date	Nominal Value (TL)	Interest Rate
Nurol Yatırım Bankası				
Bills	24.06.2024	10.01.2025	350.000	51.50%
Bills	8.07.2024	17.01.2025	400.000	51.00%
Bills	23.07.2024	10.01.2025	250.000	50.50%
Bills	24.07.2024	21.01.2025	500.000	50.50%
Bills	30.07.2024	28.01.2025	1.000.000	50.50%
Bills	6.08.2024	5.02.2025	350.000	51.00%
Bills	13.08.2024	11.02.2025	650.000	51.50%
Bills	27.08.2024	25.02.2025	350.000	51.00%
Bills	3.09.2024	4.03.2025	250.000	51.00%
Bills	2.10.2024	4.04.2025	500.000	50.50%
Bills	11.10.2024	10.04.2025	500.000	50.00%
Bills	22.10.2024	30.04.2025	600.000	50.00%
Bills	25.10.2024	25.04.2025	800.000	50.00%
Bills	13.05.2024	8.05.2025	80.000	56.00%
Bills	5.11.2024	6.05.2025	650.000	49.75%
Bills	12.11.2024	13.05.2025	650.000	49.50%
Bills	20.11.2024	21.05.2025	500.000	49.50%
Bills	29.11.2024	28.05.2025	500.000	48.50%
Bills	20.12.2024	18.06.2025	650.000	48.50%
Bills	30.07.2024	29.07.2025	250.000	47.02%
Bills	11.12.2024	8.08.2025	250.000	48.00%
Bills	21.10.2024	20.10.2025	100.000	51.59%
Bills	5.07.2024	3.01.2025	100.000	49.50%
Bills	21.02.2024	14.02.2025	150.000	47.50%
Bills	6.03.2024	28.02.2025	150.000	48.50%
Bills	5.08.2024	4.02.2025	200.000	47.50%
Bills	3.10.2024	8.04.2025	100.000	47.00%
Bills	9.10.2024	11.04.2025	250.000	47.00%
Bills	31.10.2024	29.04.2025	200.000	47.00%
Bills	8.11.2024	9.05.2025	150.000	46.00%
Bills	15.11.2024	16.05.2025	200.000	47.00%
Bills	24.12.2024	24.06.2025	400.000	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	31.05.2022	23.05.2025	100.000	59,44%
Bonds	8.12.2022	4.12.2025	600.000	39,50%
Bonds	30.12.2021	15.01.2027	1.400.000	49,75%
Bonds	2.12.2024	29.11.2027	1.100.000	TLREF + 400

The Group also issued Sukuk bonds amounting to TL 1.900.000 thousand in 2024 through Nurol Varlık Kiralama A.Ş.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

11. Funds Borrowed

	31.12.2024	31.12.2023
Funds borrowed	4.347.921	6.577.646
Obligations under repurchase agreements	5.396.892	6.402.550
	9.744.813	**12.980.196**

12. Other Receivables and Payables

Other current receivables	31.12.2024	31.12.2023
Due from related parties (Note 5)	90.566	526.718
Advances given to personnel	47.037	36.610
Deposits and guarantees given		
Construction Group		
- Nurol LLC OPC	949.527	1.104.508
- Nurol Romania Branch	22.977	61.902
- Nurol Gülermak Makyol Joint Venture	126	182
Holding Group		
- Nurol Teknoloji	678	1.016
- Nurol Makina	132	139
- Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.		
- Other deposits and guarantees given	235	192
Other doubtful receivables		
- Nurol Holding	320	462
- Nurol İnşaat	1.779	2.290
- Other group companies	--	52
Provision for doubtful other receivables (-)	(2.099)	(2.804)
Other	80.608	44.648
	1.191.886	**1.775.915**

Non-current receivables	31.12.2024	31.12.2023
Non-current receivables from related parties (Note 5)	--	242.676
Deposits and guarantees given	399.999	3.555.080
	399.999	**3.797.756**

Other current payables	31.12.2024	31.12.2023
Other current payables to related parties (Note 5)	38.713	59.036
Deposits and guarantees received	230.330	224.821
Other payables (*)	975.412	616.961
Other (**)	1.498.054	1.391.010
	2.742.509	**2.291.828**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

12. Other Receivables and Payables (Continued)

Other non-current payables	**31.12.2024**	**31.12.2023**
Other payables (*)	2.781.984	2.923.536
Deposits and guarantees received	68.776	108.576
	2.850.760	**3.032.112**

(*) Based on the license transfer agreement signed with ESAN Eczacıbaşı, Tümad Madencilik Sanayi ve Ticaret A.Ş. will pay a Smelting Return (NSR) for every 322.000 oz 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 80.302 from Nurol Yatırım Bankası leasing obligations and TL 1.410.851 from various other debts.

13. Inventories

	31.12.2024	**31.12.2023**
Raw materials		
- FNSS	1.149.778	1.344.836
- Nurol Makina (*)	2.127.893	2.346.623
- Nurol İnşaat (***)	66.792	218.987
- Nurol Teknoloji (****)	364.356	449.380
- Tümad (*****)	1.271.358	1.342.798
Semi-finished goods		
- Nurol İnşaat (***)	639.148	408.458
- Nurol Makina (*)	1.033.901	1.452.247
- Nurol Teknoloji (****)	345.048	270.953
- Tümad (*****)	1.097.302	1.116.604
Finished goods		
- Nurol İnşaat (***)	708.585	197.116
- Nurol Makina (*)	1.092.994	1.039.172
- Nurol Teknoloji (****)	178.775	214.231
- Tümad	4.423	3.299
Merchandise		
- Nurol İnşaat	15.724	30.939
- Turser Turizm	9.477	7.506
- Nurol Gayrimenkul ticari mallar (**)	441.696	783.453
Other inventories		
- Tümad	991.870	1.182.179
- Nurol İnşaat (***)	3.328	3.679
- Nurol Makina (*)	95.193	93.132
- Nurol Teknoloji	54.333	52.513
- Other group companies	113.336	44.023
	11.805.310	**12.602.128**

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

(**) TL 441.696 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.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

13. Inventories (Continued)

	31.12.2024	**31.12.2023**
Ödül İstanbul Project	215.556	485.299
Nurol Life Project	119.199	183.494
Nurol Tower Project	106.941	114.660
	441.696	**783.453**

As of 31 December 2024, there is a mortgage in the amount of TL 1.800.000 thousand on Nurol GYO's construction projects.

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

(****) The raw materials of Nurol Teknoloji are mainly comprised of boron carbide, silicon carbide, alumina, special ballistic fabric and 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.

14. Prepaid Expenses and Deferred Income

Prepaid expenses in current assets	**31.12.2024**	**31.12.2023**
Order advances given for inventories:		
- FNSS	542.710	1.017.758
- Nurol İnşaat ve Ticaret A.Ş.	211.811	95.117
- Nurol Makina	195.264	128.035
- Nurol Teknoloji	42.916	136.991
- Nurol Gayrimenkul	7.489	7.101
- Other	3.276	20.752
Prepaid expenses (*)	466.944	934.881
	1.470.410	**2.340.635**

Prepaid expenses in non-current assets	**31.12.2024**	**31.12.2023**
Advances paid for fixed assets	788.699	10.120
Prepaid expenses (*)	227.599	223.372
	1.016.298	**233.492**

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

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

14. Prepaid Expenses and Deferred Income (Continued)

Current deferred income	**31.12.2024**	**31.12.2023**
Deferred income		
- Nurol Teknoloji	3.971	9.018
- Turser Turizm	6.656	7.297
- Nurol Gayrimenkul	3.168	5.953
- Nurol İnşaat	135	218
- Other	72	1.276
Advances received		
- Nurol Makina	2.350.879	3.798.395
- Nurol İnşaat	1.150.137	884.385
- Nurol Teknoloji	215.658	278.844
- FNSS	56.593	1.077.876
- Solar	17.939	22.423
- Turser Turizm	14.827	13.655
- Nurol Gayrimenkul	10.003	258.450
- Enova	56	362
Advances received from related parties (Note 5)	749.213	23.918
Other advances received	1.564	3.761
	4.580.871	**6.385.831**

Non-current deferred income	**31.12.2024**	**31.12.2023**
Deferred income		
- Turser Turizm	257	367
Advances received		
- Nurol İnşaat	293.570	242.269
- Nurol Makina	200.773	--
- FNSS	407.975	606.071
Other advances received	--	41.723
	902.575	**890.430**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

15. Receivables and Payables from Ongoing Construction and Project Contracts

a) Receivables from construction contracts

		31.12.2024		31.12.2023	
	%	**Receivables from construction contracts**	**Payables to construction contracts**	**Receivables from construction contracts**	**Payables to construction contracts**
Nurol LLC OPC project		283.646	--	968.979	--
Silifke Mut Road Project (Nurol İnşaat)	60%	1.061.503	--	319.349	--
İzmir Çiğili Tram Line (Nurol İnşaat)	--	--	--	300.793	--
Ümraniye-Ataşehir-Göztepe Subway (Nurol Gülermak Joint Venture)	77%	1.028.088	--	218.361	--
The project for the Pet Dry Animal Food Factory (Nurol İnşaat)	77%	1.700.485	--	160.893	--
TUSAŞ-B557 Manufacturing and R&D Building	--	--	--	132.612	--
TUSAŞ-B1070 Testing Building (Nurol İnşaat)	--	--	--	44.106	--
Yusufeli Group Dam Bridges Construction (Gülsan Nurol Joint Venture)	--	--	--	11.771	--
Ordu Highway Landslide Reclamation Supply Works (NYÖ)	53%	92.766	155.653	9.347	--
Construction of the Cumhuriyet Asian Region Treatment Facility (Alkataş Nurol Joint Venture)	7%	272.327	--	--	--
		4.438.815	**155.653**	**2.166.211**	**--**

b) Receivables from project contracts

FNSS	**31.12.2024**	**31.12.2023**
Ongoing project contract revenue	30.867.800	34.826.033
Advances received	(7.486.041)	(2.509.026)
Less: Total invoiced progress payment at the end of the period	(17.317.598)	(23.523.692)
	6.064.161	**8.793.315**

Nurol Makina	31.12.2024	31.12.2023
Ongoing project contract revenue	17.242.105	20.414.376
Less: Total invoiced progress payment at the end of the period	(14.187.105)	(16.576.112)
Total	**3.055.000**	**3.838.264**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

16. Subsidiaries

	31.12.2024	31.12.2023
Otoyol Deniz Taşımacılığı A.Ş.	16.746	16.746
Otoyol İşletme ve Bakım A.Ş.	12.655	12.655
Nurol Makina UK Ltd.	3.644	3.973
Binom Highend Mühendislik A.Ş.	3.250	1.805
Bahçeşehir Gaz Dağıtım A.Ş.	1.104	1.104
Nurol Construction Germany Gmbh	987	--
Enom Elektrikli Araç Sarj Sist.ve E Tic. A.Ş.	837	837
Nurol Construction S.A.	297	297
Nurol Grup Elektrik Toptan Satış A.Ş.	294	294
Nurol Eğitim Kültür ve Spor Vakfı	237	237
Makina Macaristan Şubesi	121	174
Finanscorp P.L.C.	101	101
Nurol Hava Taşımacılığı A.Ş.	5	5
Nurol Technology USA LLC	--	6.793
Nurol Technology Germany GmbH	--	1.146
	40.278	**46.167**

17. Investments Recognized Using the Equity Method

	31.12.2024	31.12.2023
Otoyol Yatırım ve İşletme A.Ş.	38.206.135	41.876.960
FNSS Middle East Co Ltd.	10.827	20.450
	38.216.962	**41.897.410**

As of 31 December 2024, recorded value of Otoyol Yatırım İşletme A.Ş., which has been valued using the equity method and 25.95% (31 December 2023: 25.95%) of the shares are owned by the Group, USD 4.179.898 thousand (31 December 2023: USD 3.796.848 thousand) as of 31 December 2024, total equity is TL 38.206.135 thousand (31 December 2023: TL 41.876.960).

As of 31 December 2024, and 2023, profit share of investments of the Group recognized using the equity method is TL 9.201.206 thousand and TL 16.548.442 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 Group.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

18. Goodwill

	31.12.2024	31.12.2023
Otoyol Yatırım ve İşletme A.Ş.	273.524	273.524
	273.524	**273.524**

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 2024 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 2024 and 2023 is related to the purchase of shares of Otoyol Yatırım İşletme A.Ş. in 2013. The Group purchased shares of Yüksel İnşaat A.Ş. and Göçay İnşaat Taahhüt ve Ticaret A.Ş. which are investors in Otoyol Yatırım ve İşletme A.Ş. and goodwill in the amount of TL 273.523 thousand has been paid.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

19. Property, Plant and Equipment

a) Other Property, Plant and Equipment

	31.12.2023	Additions	Disposals	Foreign Currency Translation Differences	Transfer	31.12.2024
Cost						
Land	553.001	--	--	(187.585)	(278.217)	87.199
Land improvements	1.771.289	19.013	--	(471.298)	4.138	1.323.142
Buildings	10.091.216	76.658	(4.833)	(2.433.387)	65.338	7.794.992
Leasehold improvements	94.978	29.140	(11.524)	(12.594)	--	100.000
Machinery and equipment	20.280.385	641.949	(127.983)	(3.432.479)	3.475.793	20.837.665
Vehicles	2.695.342	267.211	(30.609)	(527.501)	--	2.404.443
Fixtures and fittings	4.040.986	149.055	(31.776)	(584.603)	44	3.573.706
Other property, plant and equipment	4.233.625		--	(534.746)	(3.366.952)	331.927
Construction in progress	278.339	673.622	(1.160)	(33.026)	(181.586)	736.189
Right-of-use assets	--	41.417	(35.120)	--	--	6.297
	44.039.161	**1.898.065**	**(243.005)**	**(8.217.219)**	**(281.442)**	**37.195.560**
Accumulated depreciation (-)						
Land improvements	798.614	68.842	--	(164.186)	--	703.270
Buildings	4.027.181	318.738	(4.833)	(734.378)	--	3.606.708
Leasehold improvements	63.091	8.635	(11.524)	(6.894)	--	53.308
Machinery and equipment	10.241.970	855.655	(114.621)	(575.409)	2.780.855	13.188.450
Vehicles	1.432.731	135.199	(18.040)	(201.977)	--	1.347.913
Fixtures and fittings	3.291.049	198.465	(30.830)	(280.190)	--	3.178.494
Other property, plant and equipment	3.903.434	72.259	--	(862.911)	(2.780.855)	331.927
Construction in progress	--	3.391	(2.656)	--	--	735
	23.758.070	**1.661.184**	**(182.504)**	**(2.825.945)**	**--**	**22.410.805**
Net Book Value	**20.281.091**					**14.784.755**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

19. Property, Plant and Equipment (Continued)

a) Other Property, Plant and Equipment (continued)

	01.01.2023	Additions	Disposals	Revaluation	Foreign Currency Translation	Transfer	31.12.2023
Cost							
Land	632.302	1.311	(567)	--	(80.045)	--	553.001
Land improvements	2.030.904	26.551	(52)	--	(294.359)	8.245	1.771.289
Buildings	11.208.227	172.986	(33.616)	(1.503)	(1.235.381)	(19.497)	10.091.216
Leasehold improvements	96.847	1.038	(167)	--	(2.740)	--	94.978
Machinery and equipment	20.891.432	529.090	(424.209)	--	(963.836)	247.908	20.280.385
Vehicles	2.865.950	73.056	(37.091)	--	(206.573)	--	2.695.342
Fixtures and fittings	3.593.982	176.269	(13.882)	--	288.377	(3.760)	4.040.986
Other property, plant and equipment	3.858.342	116.374	--	--	258.909	--	4.233.625
Construction in progress	562.679	215.713	(90.422)	--	(127.386)	(282.245)	278.339
	45.740.665	**1.312.388**	**(600.006)**	**(1.503)**	**(2.363.034)**	**(49.349)**	**44.039.161**
Accumulated depreciation (-)							
Land improvements	745.248	69.755	(35)	--	(16.354)	--	798.614
Buildings	3.662.692	301.059	(10.732)	--	72.890	1.272	4.027.181
Leasehold improvements	45.669	9.640	(167)	--	7.949	--	63.091
Machinery and equipment	8.916.995	807.379	(378.632)	--	896.228	--	10.241.970
Vehicles	1.279.284	41.698	(28.958)	--	140.707	--	1.432.731
Fixtures and fittings	2.560.796	152.673	(13.479)	--	591.059	--	3.291.049
Other property, plant and equipment	3.231.612	94.388	--	--	577.434	--	3.903.434
	20.442.296	**1.476.592**	**(432.003)**	**--**	**2.269.913**	**1.272**	**23.758.070**
Net Book Value	**25.298.369**						**20.281.091**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

19. Property, Plant and Equipment (Continued)

b) Mining Assets

	31.12.2023	Additions	Disposals	Foreign Currency Translation Differences	31.12.2024
Acquisition Costs					
Mining development cost (*)	6.204.235	734.299	--	899.142	7.837.676
Mining rehabilitation cost	934.018	294.069	--	149.026	1.377.113
Acquisition of mining rights (**)	6.731.141	1.402.758	--	1.020.630	9.154.529
	13.869.394	**2.431.126**	**--**	**2.068.798**	**18.369.318**
Accumulated depreciation (-)					
Mining development cost	2.307.006	332.690	--	338.781	2.978.477
Mining rehabilitation cost	353.757	104.244	--	55.912	513.913
Acquisition of mining rights	549.988	89.826	--	81.548	721.362
	3.210.751	**526.760**	**--**	**476.241**	**4.213.752**
Net Book Value	**10.658.643**				**14.155.566**

	01.01.2023	Additions	Disposals	Foreign Currency Translation Differences	31.12.2023
Acquisition Costs					
Mining development cost (*)	3.424.662	666.963	(11.491)	2.124.101	6.204.235
Mining rehabilitation cost	464.390	163.676	--	305.952	934.018
Acquisition of mining rights (**)	3.759.815	690.091	(35.226)	2.316.461	6.731.141
	7.648.867	**1.520.730**	**(46.717)**	**4.746.514**	**13.869.394**
Accumulated depreciation (-)					
Mining development cost	1.254.367	267.959	(3)	784.683	2.307.006
Mining rehabilitation cost	171.965	66.973	--	114.819	353.757
Acquisition of mining rights	280.152	97.903	(10.034)	181.967	549.988
	1.706.484	**432.835**	**(10.037)**	**1.081.469**	**3.210.751**
Net Book Value	**5.942.383**				**10.658.643**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

19. Property, Plant and Equipment (Continued)

b) Mining Assets (continued)

(*) *Exploration, Drilling, and Development Costs in Mining:*

As of 31 December 2024 and 2023, the details of Tümad Madencilik's exploration, drilling and development expenses in the field of mining are as follows:

	31.12.2024	31.12.2023
Lapseki Project	3.119.265	2.617.127
İvrindi Project	4.005.182	3.154.286
Other	713.229	432.822
	7.837.676	**6.204.235**

(**) *Mining Rights:*

Tümad Mining has 16 mining licenses in total. Information on licenses is as follows:

License (Registration) Number	Province	County	License Enforcement Date	Essence	Period
86082	Çanakkale	Lapseki	04.09.2009	Operating license	25
90631	Balıkesir	İvrindi	21.01.2014	Operating license	30
17798	Çanakkale	Lapseki	16.12.2019	Operating license	10
27480	Çanakkale	Lapseki	15.11.2019	Operating license	10
79099	Çanakkale	Lapseki	16.12.2019	Operating license	10
69703	Çanakkale	Lapseki	16.12.2019	Operating license	10
88919	Çanakkale	Çan	17.07.2018	Operating license	10
61515	Çanakkale	Merkez	29.05.2019	Operating license	10
68955	Çanakkale	Lapseki	20.01.2020	Operating license	15
202400775	İzmir	Bergama	24.06.2024	Search license	7
202401109	Çanakkale	Lapseki	02.10.2024	Search license	7
202401110	Çanakkale	Lapseki	02.10.2024	Search license	7
202401112	Çanakkale	Lapseki	02.10.2024	Search license	7
202401108	Çanakkale	Lapseki	02.10.2024	Search license	7
202401114	Kütahya	Simav	02.10.2024	Search license	7
202401310	Kastamonu	Bozkurt	13.12.2024	Search license	7

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

20. Investment Properties

	31.12.2023	Additions	Disposals	Foreign currency translation differences	Transfer	Revaluation differences (*)	31.12.2024
Cost							
Lands							
- Nurol İnşaat (*)	2.195.527	--	(687.394)	--	--	1.852.163	3.360.296
- Nurol Holding	90.524	--	--	--	--	--	90.524
- Nurol Makina	--	--	--	55.308	281.442	--	336.750
Buildings							
- Nurol İnşaat (*)	6.231.353	282	(736.204)	--	--	(719.548)	4.775.883
- Georgia Batum Sheraton Hotel (**)	5.663.077	170.967	(6.679)	(1.661.103)	--	656.565	4.822.827
- Nurol Holding	16.972	--	--	--	--	--	16.972
- Turser Turizm (***)	1.808.754	--	--	--	--	1.695.270	3.504.024
- Karum Offices	128.448	224	--	--	--	--	128.672
	16.134.655	**171.473**	**(1.430.277)**	**(1.605.795)**	**281.442**	**3.484.450**	**17.035.948**
Nurol Gayrimenkul:							
- Nurol Tower	1.242.292	--	--	--	--	18.897	1.261.189
- Oasis Cadde	1.231.383	--	--	--	--	(37.781)	1.193.602
- Nurol Life	867.093	--	(78.470)	--	--	(2.568)	786.055
- Nurol Plaza	405.272	51	--	--	--	1.678	407.001
- Nurol Residence	302.112	234	--	--	--	43.053	345.399
- Oasis Bodrum	86.548	1.760	--	--	--	49.892	138.200
- Karum AVM	4.433	--	--	--	--	1.568	6.001
	4.139.133	**2.045**	**(78.470)**	**--**	**--**	**74.739**	**4.137.447**
Total Cost	**20.273.788**						**21.173.395**
Accumulated depreciation (-)							
Buildings							
- Nurol Holding	5.431	339	--	--	--	--	5.770
- Turser Turizm	1.375	42	--	--	--	--	1.417
- Karum Offices	62.277	4.974	--	--	--	--	67.251
	69.083	**5.355**	**--**	**--**	**--**	**--**	**74.438**
Net Book Value	**20.204.705**						**21.098.957**

(*) The Sheraton Hotel Batumi, located in the Group's investment properties, was revalued based on an expert report provided by Colliers Georgia in 2024. 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. and Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş in 2024. 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.

(***) The Sheraton Ankara Hotel & Convention Center and Lugal, A Luxury Collection Hotel Ankara, classified as investment properties by Turizm Servis ve Ticaret A.Ş., were revalued in 2024 based on the expert report dated 12 November 2024, provided by TSKB Gayrimenkul Değerleme A.Ş. The difference between the revalued amount and the carrying amount (according to the expert report) has been recorded in the income statement under the 'Investment Property Revaluation' account in the attached consolidated financial statements.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

20. Investment Properties (Continued)

	01.01.2023	Additions	Disposals	Foreign currency translation differences	Revaluation differences	Transfer	31.12.2023
Cost							
Land							
- Nurol İnşaat	2.002.375	--	--	--	193.152	--	2.195.527
- Nurol Holding	90.524	--	--	--	--	--	90.524
Buildings							
- Nurol İnşaat	1.942.799	--	(19.602)	--	4.308.156	--	6.231.353
- Georgia Batum Sheraton Hotel	4.297.030	30.044	--	(1.208.071)	2.544.074	--	5.663.077
- Nurol Holding	16.972	--	--	--	--	--	16.972
- Turser	1.788.248	--	--	--	20.506	--	1.808.754
- Karum Offices	128.448	--	--	--	--	--	128.448
- Kuşadası Asena Hotel	13.592	--	(13.592)	--	--	--	--
	10.279.988	**30.044**	**(33.194)**	**(1.208.071)**	**7.065.888**	**--**	**16.134.655**
Nurol Gayrimenkul:							
- Nurol Tower	1.167.040	--	(95.968)	--	171.220	--	1.242.292
- Oasis Cadde	570.682	4.429	(7.920)	--	664.192	--	1.231.383
- Nurol Life	898.421	--	--	--	(31.328)	--	867.093
- Nurol Plaza	287.261	15	(64.848)	--	116.596	66.248	405.272
- Nurol Residence	148.186	8.609	--	--	145.317	--	302.112
- Oasis Bodrum	70.565	945	--	--	15.038	--	86.548
- Karum AVM	3.450	--	--	--	983	--	4.433
	3.145.605	**13.998**	**(168.736)**	**--**	**1.082.018**	**66.248**	**4.139.133**
Total Cost	**13.425.593**						**20.273.788**
Accumulated depreciation (-)							
Buildings							
- Nurol Holding	5.225	206	--	--	--	--	5.431
- Turser	1.294	81	--	--	--	--	1.375
- Karum Offices	59.397	2.880	--	--	--	--	62.277
- Kuşadası Asena Hotel	1.944	--	(1.944)	--	--	--	--
	67.860	**3.167**	**(1.944)**	**--**	**--**	**--**	**69.083**
Net Book Value	**13.357.733**						**20.204.705**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

21. Depreciation and Amortization

	31.12.2024	**31.12.2023**
Property, plant and equipment (Note 19)	1.657.793	1.476.592
Mining assets (Note 19)	526.760	432.835
Intangible assets (Note 22)	297.774	290.268
Investment properties (Note 20)	5.355	3.167
Right-of-use assets (Note 19)	3.391	--
	2.491.073	**2.202.862**

The distribution of depreciation and amortization charges is as follows:

	01.01-31.12.2024	**01.01-31.12.2023**
Production costs	1.269.981	1.136.289
Cost of services	647.870	489.934
General administrative expenses	379.569	277.876
Research and development expenses	140.624	240.957
Marketing, selling and distribution expenses	53.029	57.806
	2.491.073	**2.202.862**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

22. Intangible Assets

	31.12.2023	Additions	Disposals	Foreign currency translation differences	Transfer	31.12.2024
Cost						
Rights	1.686.727	221.108	(450)	(111.850)	--	1.795.535
Energy licenses (*)	1.922.699	23		--	--	1.922.722
Establishment expenses	1.111	--	--	(125)	--	986
Other development expenses (**)	2.349.570	302.712	(2)	(378.060)	--	2.274.220
Other intangible assets	747	--	(308)	--	--	439
	5.960.854	**523.843**	**(760)**	**(490.035)**	**--**	**5.993.902**
Accumulated depreciation (-)						
Establishment expenses	1.461.226	137.707	(84)	(108.689)	--	1.490.160
Other development expenses (**)	76.036	37.275	--	--	--	113.311
Other intangible assets	1.111	--	--	(125)	--	986
Establishment expenses	831.020	122.651	--	(132.682)	--	820.989
Other development expenses (**)	592	141	(308)	--	--	425
	2.369.985	**297.774**	**(392)**	**(241.496)**	**--**	**2.425.871**
Net Book Value	**3.590.869**					**3.568.031**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

22. Intangible Assets (Continued)

	01.01.2023	Additions	Disposals	Foreign currency translation differences	Transfer	31.12.2023
Cost						
Rights	2.595.665	133.585	(40)	(1.025.792)	(16.691)	1.686.727
Energy licenses	1.922.699	--	--	--	--	1.922.699
Establishment expenses	1.105	--	--	6	--	1.111
Other development expenses	1.161.530	421.271	(1.382)	768.151	--	2.349.570
Other intangible assets	531	424	--	--	(208)	747
	5.681.530	**555.280**	**(1.422)**	**(257.635)**	**(16.899)**	**5.960.854**
Accumulated depreciation (-)						
Rights	1.879.026	113.522	(40)	(530.010)	(1.272)	1.461.226
Energy licenses	29.104	46.932	--	--	--	76.036
Establishment expenses	1.105	--	--	6	--	1.111
Other development expenses	425.623	129.755	--	275.642	--	831.020
Other intangible assets	533	59	--	--	--	592
	2.335.391	**290.268**	**(40)**	**(254.362)**	**(1.272)**	**2.369.985**
Net Book Value	**3.346.139**					**3.590.869**

(Currency – Thousand Turkish Liras “(TL)” in terms of purchasing power of the “TL” at 31 December 2024 unless otherwise expressed.)

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	**31.12.2024**	**31.12.2023**
Project penalty provision	858.820	1.079.628
Provision for litigation	462.217	864.234
Insurance premium provisions	174.538	89.150
Warranty expense provision	160.309	187.457
Provisions for non-cash loans (Nurolbank)	19.504	55.945
Other provisions (Nurolbank)	14.121	75.950
Land deed cost provisions	12.724	3.884
Cost expense provision	--	4.892
Other	16.435	21.211
	1.718.668	**2.382.351**

Non-Current provisions	**31.12.2024**	**31.12.2023**
Rehabilitation provision (-) (*)	1.070.737	910.637
Provision for litigation	158.261	--
Other	8.665	7.085
	1.237.663	**917.722**

(*) 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.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

23. Provisions, Contingent Assets and Liabilities (Continued)

As of 31 December 2024, the total amount of pending lawsuits against the Group is approximately TL 620.478 thousand (31 December 2023: TL 864.234 thousand). As of 31 December 2024, the Group has set aside a provision of TL 620.478 thousand (31 December 2023: TL 864.234 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:

	31.12.2024		**31.12.2023**	
	Original Currency	**TL Equivalent**	**Original Currency**	**TL Equivalent**
Letters of guarantee received				
-TL	748.910	748.910	712.631	712.631
-USD	38.068	1.340.877	6.359	270.261
-EUR	18.569	682.296	9.177	431.574
Cheques and notes received				
-TL	21	21	30	30
-USD	--	--	3	116
		2.772.104		**1.414.612**

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

		31.12.2024	**31.12.2023**
A	CPM's given in the name of own legal personality	46.300.642	29.816.834
B	CPM's given on behalf of the fully consolidated companies	23.201.930	30.205.747
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. iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	--	--
		69.502.572	**60.022.581**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

23. Provisions, Contingent Assets and Liabilities (Continued)

	Original Amount							31.12.2024
	TL	**USD**	**EUR**	**DZD**	**RON**	**GBP**	**SAR**	**TL Equivalent**
Letter of guarantee	2.902.659	246.777	353.714	2.653.007	450.489	450	660	28.614.500
Mortgages	3.099.599	113.750	33.000	--	--	--	--	8.318.765
Suretyship	--	265.943	--	--	--	--	--	9.367.377
	6.002.258	**626.470**	**386.714**	**2.653.007**	**450.489**	**450**	**660**	**46.300.642**

	Original Amount							31.12.2023
	TL	**USD**	**EUR**	**DZD**	**RON**	**GBP**	**SAR**	**TL Equivalent**
Letter of guarantee	4.208.429	153.704	116.179	953.131	110.343	700	--	13.471.632
Mortgages	4.630.516	56.750	63.000	--	--	--	--	8.353.290
Suretyship	--	271.481	--	--	--	--	--	7.991.912
	8.838.945	**481.935**	**179.179**	**953.131**	**110.343**	**700**	**--**	**29.816.834**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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 Bankpozitif.

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*

	31.12.2024	31.12.2023
Due to personnel	88.409	79.635
Social security premiums payable	104.189	160.715
	192.598	**240.350**

b) *Provisions for employee benefits*

	31.12.2024	31.12.2023
Current provisions	332.360	279.148
Non-Current provisions	414.601	389.752
	746.961	**668.900**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

24. Employee Benefits (Continued)

b.1) Current

	31.12.2024	31.12.2023
Unused vacation provision	332.360	279.148
	332.360	**279.148**

b.2) Non-Current

	31.12.2024	31.12.2023
Provision for employee termination benefits	414.601	389.752
	414.601	**389.752**

Provision for employee termination benefits

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

As of 31 December 2024, the maximum severance pay cap payable per year of service is TL 46.655,43 per month (as of 31 December 2023: TL 41.828,42). The severance pay ceiling is revised every six months.

Severance pay liability is not legally subject to any funding.

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

	31.12.2024	31.12.2023
Interest rate	%27,15	%25,05
Inflation rate	%23,03	%21,41

25. Other Assets and Liabilities

Other current assets	**31.12.2024**	**31.12.2023**
VAT carried forward	1.129.435	1.271.773
Receivables from tax office	467.288	385.770
Advances given to subcontractors (*)	950.441	1.277.250
Advances given for business purposes	127.883	32.283
Accrued income	21.604	22.294
Other	36.090	30.322
	2.732.741	**3.019.692**

(*) TL 802.650 of advances given to subcontractors consists of the advances given to the subcontractors of Nurol İnşaat and TL and 146.657 to the subcontractors of Tümad Madencilik.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

25. Other Assets and Liabilities (Continued)

Other non-current assets	**31.12.2024**	**31.12.2023**
Receivables from tax office (Tümad & Nurol Makina)	681.281	678.801
	681.281	**678.801**

Other current liabilities	**31.12.2024**	**31.12.2023**
Taxes and funds payables	977.611	1.042.662
Other (*)	1.186.851	985.272
	2.164.462	**2.027.934**

(*) TL 1.169.226 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	**31.12.2024**	**31.12.2023**
Nurol İnşaat Algeria Branch	457	101
	457	**101**

26. Equity

a. Share Capital

	Share Rate (%)	**31.12.2024**	**31.12.2023**
Nurettin Çarmıklı	33,31	258.455	258.455
Figen Çarmıklı	33,31	258.455	258.455
M. Oğuz Çarmıklı	33,31	258.455	258.455
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 adjustments differences		14.257.047	14.257.047
	100	**15.033.047**	**15.033.047**

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

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

26. Equity (Continued)

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

	31.12.2024	31.12.2023
Fixed assets revaluation fund	4.898.466	4.676.612
Actuarial gains/ losses	(210.472)	(123.587)
	4.687.994	**4.553.025**

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

	31.12.2024	31.12.2023
Foreign currency translation differences	15.401.299	15.796.769
Revaluation of financial assets available for sale	118.974	205.525
Cash flow hedge gains / (losses)	(2.083.886)	(1.235.849)
	13.436.387	**14.766.445**

d. Restricted Reserves

	31.12.2024	31.12.2023
Legal reserves	1.537.318	1.696.750
Extraordinary reserves	33	33
	1.537.351	**1.696.783**

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

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

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

26. Equity (Continued)

e. *Non-Controlling Interest*

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

01 January 2023 Minority interest	**3.523.751**
Capital change	738.316
Minority share of other prior year profit / (loss) adjustments	(1.813.650)
Minority share of profit / (loss) for the period	1.153.445
Monetary gain / (loss)	(1.385.202)
31 December 2023 Minority interest	**2.216.660**
Capital change	243.975
Minority share of other prior year profit / (loss) adjustments	693.438
Minority share of profit / (loss) for the period	(609.748)
31 December 2024 Minority interest	**2.544.325**

27. Revenue and Cost of Sales

	01.01-31.12.2024	**01.01-31.12.2023**
Domestic sales	43.729.011	40.474.084
Export sales	8.415.766	9.951.024
Sales discount (-)	(40.749)	(175.949)
Revenue	**52.104.028**	**50.249.159**
Cost of sales (-)	**(36.251.684)**	**(34.412.600)**
Gross profit from trade activities	**15.852.344**	**15.836.559**
Revenue from financial sector activities	14.669.339	10.858.030
Cost of financial sector activities (-)	(8.428.597)	(3.675.349)
Gross profit from financial sector activities	**6.240.742**	**7.182.681**
Gross profit	**22.093.086**	**23.019.240**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

28. Expenses by Nature

	01.01-31.12.2024	01.01-31.12.2023
General administrative expenses	4.749.977	4.398.744
Marketing, selling and distribution expenses	873.471	417.956
Research and development expenses	509.263	485.813
	6.132.711	**5.302.513**

29. Other Operating Income and Expense

Other income from operating activities	01.01-31.12.2024	01.01-31.12.2023
Foreign exchange income from trade activities	576.665	733.382
Provisions no longer required	255.838	232.369
Other income (Nurol Investment Bank)	203.603	1.035.225
Other income (Nurol Georgia LLC)	116.387	--
Incentive income	109.094	72.664
Other income (Nurol Makina)	29.040	7.808
Discount income	28.013	21.411
Insurance claim expenses	21.789	85.054
Profits from sales of scrap, raw Materials and goods	18.334	19.321
Other income (Nurol Gayrimenkul)	3.130	3.511
Nurol LLC OPC insurance income	2.979	38.363
Commission income	734	3.344
Other income (FNSS)	709	8.800
Other income (Turser)	--	640
Other income (Tümad)	--	14.203
Other	103.367	11.106
	1.469.682	**2.287.201**

Other expenses from operating activities	01.01-31.12.2024	01.01-31.12.2023
Provision expense	(886.931)	(778.853)
Foreign exchange expense from trade activities	(835.073)	(1.453.805)
Donations and grants	(200.972)	(240.525)
Other expense (Nurol Investment Bank)	(165.200)	(95.470)
Other expense (Nurol Teknoloji)	(79.532)	(45.735)
Severance pay interest expense	(29.186)	(63.059)
Insurance claim expenses	(23.630)	(48.172)
Other expense (Tümad)	(22.803)	(41.004)
Other expense (FNSS)	(17.236)	(2.719)
Other expense (Nurol Makine)	(14.294)	(67.097)
Other expense (Nurol GYO)	(3.142)	(15.047)
Scrap sale expenses	(3.010)	(1.802)
Commission expense	(41)	(205)
Restructuring of certain receivables Law no 7440	--	(1.463.722)
Surrendered mining licenses	--	(41.188)
Prior period profit (loss) adjustment	--	(12.512)
Discount expenses	--	(34.082)
Other	(149.801)	(291.526)
	(2.430.851)	**(4.696.523)**

(Currency – Thousand Turkish Liras “(TL)” in terms of purchasing power of the “TL” at 31 December 2024 unless otherwise expressed.)

30. Income and Expenses from Investment Activities

Income from investment activities	01.01-31.12.2024	01.01-31.12.2023
Investment properties revaluation increase (Note 20)	3.559.189	8.147.906
Dividend income	297.188	113.372
Rent income	152.824	26.003
Profit on sales of property, plant and equipment	42.862	164.233
Gains on share transfers	19.807	--
Profit on sales of securities	15.297	13.862
Currency protected deposits income	5.085	20.636
Other	14.757	62.418
	4.107.009	**8.548.430**

Expenses from investment activities	01.01-31.12.2024	01.01-31.12.2023
Loss on sales property, plant and equipment	(54.754)	(189.403)
Loss on sales of securities	(48.332)	(3.773)
Loss on share transfers	(4.355)	--
	(107.441)	**(193.176)**

31. Financial Income and Expense

Financial income	01.01-31.12.2024	01.01-31.12.2023
Foreign exchange income	2.178.437	3.381.935
Interest income	1.104.383	410.574
Fair value gains of derivative financial instruments	37.083	54.811
	3.319.903	**3.847.320**

Financial expense	01.01-31.12.2024	01.01-31.12.2023
Interest expenses	(7.669.033)	(6.189.641)
Foreign exchange expenses	(5.185.516)	(13.474.059)
Fair value loss of derivative financial instruments	(1.347.028)	(532.690)
Bond interest expense	(1.151.901)	(399.083)
Bank commission expenses	(533.977)	(738.728)
Letter of guarantee expenses	(93.286)	(86.181)
Factoring expenses	(8.935)	(72.791)
Other	(107.394)	(29.996)
	(16.097.070)	**(21.523.169)**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

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

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

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

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

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

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

Corporate tax is applied to the taxable base, which is determined by adding non-deductible expenses, as per tax legislation, to the commercial income and subtracting the exceptions specified in the tax law from the commercial income. Corporations are required to submit their corporate tax return to the tax authority by the end of the fourth month following the relevant accounting period.

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

Tax provision in the statement of the financial position	**31.12.2024**	**31.12.2023**
Current tax provision	442.560	641.074
	442.560	**641.074**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

As of 31 December 2024 and 2023, the tax liabilities included in the statement of profit or loss are as follows;

Tax provision in the statement of profit or loss	01.01-31.12.2024	01.01-31.12.2023
Provision for corporate tax for current period	(1.828.292)	(3.228.491)
Deferred tax income / (expense)	(2.028.399)	3.050.982
	(3.856.691)	**(177.509)**

Current:	31.12.2024	31.12.2023
Prepaid taxes (-) (*)	224.235	121.051
	224.235	**121.051**

(*) According to Turkish Tax Laws companies must make advance payments of corporation tax. Prepaid taxes are computed on the quarterly taxable profits. 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:	31.12.2024	31.12.2023
Prepaid taxes (-) (**)	1.042.312	361.926
	1.042.312	**361.926**

(**) 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.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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	**31.12.2024**	**31.12.2023**
Depreciation adjustment	671.456	3.224.972
Expected credit loss	58.104	64.316
Provisions for employee benefits	399.424	309.860
Provisions for litigation	395.304	980.192
Ongoing constructions	4.508.436	7.751.004
Contractual obligations	(3.055.000)	(2.850.160)
Research and development incentive discount carried forward	8.357.596	7.611.372
Adjustments related to financial investments	(310.712)	(112.484)
Provisions for warranty and installation expenses	8.664	16.764
Accrued income	(5.852)	(4.884)
Written off assets	(151.208)	980.540
Adjustments related to staff advances	(564)	18.092
Adjustments related to loan interest accruals	(78.012)	(103.092)
Unused vacation provision	139.716	109.588
Exchange rate differences	10.112	--
Tangible and intangible assets adjustment	6.083.588	9.194.964
Tangible and intangible assets revaluation	(128.672)	(575.072)
Rehabilitation provision	405.176	353.756
Inventory functional currency conversion variances and adjustments related to project contracts	7.595.448	4.911.592
Net difference between carrying value and tax value of inventories	221.372	(141.368)
Presentation currency conversion variances	187.488	1.943.952
Doubtful debt provision	11.820	40.304
Adjustments related to unaccrued finance income/expenses	(22.744)	8.640
Trade, other receivables, and customer receivables and liabilities related to project and contracts	(6.442.952)	(7.365.516)
Derivative financial instruments	2.429.820	1.316.308
Taxable financial losses	2.742.728	3.323.732
Valuation of investment properties	(6.980.232)	(10.654.888)
Adjustments related to goodwill	--	(107.520)
Investment incentives	722.192	843.016
Adjustments related to deferred income	--	(1.163.868)
Other	356.740	2.343.424
	18.129.236	**22.267.536**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

Deferred tax assets / (liabilities)	31.12.2024	31.12.2023
Depreciation adjustment	167.864	806.243
Expected credit loss	14.526	16.079
Provisions for employee benefits	99.856	77.465
Provisions for litigation	98.826	245.048
Ongoing constructions	1.127.109	1.937.751
Contractual obligations	(763.750)	(712.540)
Research and development incentive discount carried forward	2.089.399	1.902.843
Adjustments related to financial investments	(77.678)	(28.121)
Provisions for warranty and installation expenses	2.166	4.191
Accrued income	(1.463)	(1.221)
Written off assets	(37.802)	245.135
Adjustments related to staff advances	(141)	4.523
Adjustments related to loan interest accruals	(19.503)	(25.773)
Unused vacation provision	34.929	27.397
Exchange rate differences	2.528	--
Tangible and intangible assets adjustment	1.520.897	2.298.741
Tangible and intangible assets revaluation	(32.168)	(143.768)
Rehabilitation provision	101.294	88.439
Inventory functional currency conversion variances and adjustments related to project contracts	1.898.862	1.227.898
Net difference between carrying value and tax value of inventories	55.343	(35.342)
Presentation currency conversion variances	46.872	485.988
Doubtful debt provision	2.955	10.076
Adjustments related to unaccrued finance income/expenses	(5.686)	2.160
Trade, other receivables, and customer receivables and liabilities related to project and contracts	(1.610.738)	(1.841.379)
Derivative financial instruments	607.455	329.077
Taxable financial losses	685.682	830.933
Valuation of investment properties	(1.745.058)	(2.663.722)
Adjustments related to goodwill		(26.880)
Investment incentives	180.548	210.754
Adjustments related to deferred income		(290.967)
Other	89.185	585.856
Deferred tax assets / (liabilities), net	**4.532.309**	**5.566.884**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

33. Disclosures on Net Monetary Position Gains / (Losses)

The amounts related to the Group's subsidiaries' net monetary position gains and (losses) before consolidation eliminations and adjustments are as follows:

Non-monetary items	**31.12.2024**
Inventories	83.793
Prepaid expenses	1.081
Prepaid expenses	1.585
Financial investments	11.669.635
Tangible and intangible assets	4.306.950
Investment properties	4.162.533
Goodwill	84.075
Prepaid expenses	46
Deferred tax	(167.126)
Deferred income	33.283
Other	(26.590)
Share capital	(12.220.812)
Other equity items	(3.436.968)
Items of the profit and loss statement	1.518.390
Retained earnings/(losses) from prior years	(14.748.324)
Net monetary position losses	**(8.738.449)**

34. 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	**01.01-31.12.2024**	**01.01-31.12.2023**
Profit for the period	2.827.673	15.870.789
Profit / (loss) attributable to non-controlling interest	(609.748)	1.153.445
Profit attributable to equity holders of the parent	**3.437.421**	**14.717.344**
Weighted average number of shares with nominal value	776.000	776.000
Earnings per Share	**4,4297**	**18,9656**

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

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

a) Capital risk management

The Group monitors capital using the net financial debt to capital employed ratio. This ratio is found by dividing the financial debt used by the capital.

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

a) Capital risk management

The debt-to-equity ratio, calculated by dividing the net debt (determined by subtracting cash and cash equivalents from financial liabilities) by the total paid-in capital as of 31 December 2024 and 2023, is as follows:

	31.12.2024	31.12.2023
Total financial payables	66.085.772	65.409.527
Less: cash and cash equivalents	(14.768.676)	(15.285.997)
Net financial debt	**51.317.096**	**50.123.530**
Total equity	70.679.522	70.733.418
Less: revaluation of tangible fixed assets	(4.898.466)	(4.676.612)
Total capital used	**117.098.152**	**116.180.336**
Net debt/used capital	**%44**	**%43**

b) Financial risk factors

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

b.2) Liquidity risk management

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets.

Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

b.3) Market risk management

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 management

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.

	31.12.2024	31.12.2023
Foreign currency assets	29.727.209	30.461.355
Foreign currency liabilities	(40.465.113)	(68.936.734)
Net foreign currency position	**(10.737.904)**	**(38.475.379)**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

35. 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:

31.12.2024	**USD**	**EUR**	**GBP**	**RUB**	**DZD**	**AED**	**RON**	**GEL**	**PLN**	**The TL Equivalent of Other Currencies**	**TL Equivalent**
1. Trade receivables	175.264	93.191	--	--	6.314.957	77.921	176.902	995	--	--	13.294.292
2a. Monetary Financial Assets (Cash and Banks)	32.160	33.712	5	187	89.564	328.012	2.786	1.823	2	174.306	5.740.670
2b. Non-monetary Financial Assets	1.323	1.427	--	--	--	--	14.520	--	--	--	205.628
3. Other	135.855	144.695	--	--	21.990	--	--	--	--	25.584	10.133.110
4. Current Assets (1+2+3)	**344.602**	**273.026**	**5**	**187**	**6.426.511**	**405.932**	**194.209**	**2.818**	**2**	**199.890**	**29.373.700**
5. Trade Receivables	--	--	--	--	--	--	--	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--	--	--	--	--	--	--	--
6b. Non-monetary Financial Assets	--	--	--	--	--	--	--	--	--	--	--
7. Other	1.079	4.715	--	--	--	--	17.769	--	--	--	341.696
8. Non-Current Assets (5+6+7)	**1.079**	**4.715**	**--**	**--**	**--**	**--**	**17.769**	**--**	**--**	**--**	**341.696**
9. Total Assets (4+8)	**345.681**	**277.741**	**5**	**187**	**6.426.511**	**405.932**	**211.977**	**2.818**	**2**	**199.890**	**29.715.395**
10. Trade Payables	82.846	29.624	--	--	1.736.584	136.821	240.579	10.909	--	106.289	7.772.610
11. Financial Liabilities	46.855	80.281	--	--	--	--	--	--	--	--	4.600.139
12a. Other Monetary Liabilities	3.216	50.804	--	--	261.447	--	--	--	--	1.688	2.049.659
12b. Other Non-monetary Liabilities	--	--	--	--	--	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	**132.918**	**160.709**	**--**	**--**	**1.998.031**	**136.821**	**240.579**	**10.909**	**--**	**107.977**	**14.422.408**
14. Trade Payables	57.603	62.681	--	--	--	--	--	--	--	--	4.332.080
15. Financial Liabilities	441.435	135.985	--	--	--	83.901	--	13.994	--	--	21.521.233
16a. Other Monetary Liabilities	205	--	--	--	--	--	--	--	--	--	7.221
16b. Other Non-monetary Liabilities	--	--	--	--	--	--	--	--	--	--	--
17. Non-current Liabilities (14+15+16)	**499.243**	**198.666**	**--**	**--**	**--**	**83.901**	**--**	**13.994**	**--**	**--**	**25.860.534**
18. Total Liabilities (13+17)	**632.161**	**359.375**	**--**	**--**	**1.998.031**	**220.722**	**240.579**	**24.902**	**--**	**107.977**	**40.282.942**
19. Net Assets of off-balance sheet derivative items (19a-19b)	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
19a. Total Amount of Assets Hedged	--	--	--	--	--	--	--	--	--	--	--
19b. Total Amount of Liabilities Hedged	--	--	--	--	--	--	--	--	--	--	--
20. Net Foreign Assets / (Liability) Position)	**(286.480)**	**(81.635)**	**5**	**187**	**4.428.480**	**185.210**	**(28.601)**	**(22.085)**	**2**	**91.913**	**(10.567.547)**
21. Net Foreign Currency Assets / (Liability) Position (=1+2a+5+6a+-10-11-12a-14-15-16a)	**(424.737)**	**(232.472)**	**5**	**187**	**4.406.490**	**185.210**	**(60.890)**	**(22.085)**	**2**	**66.329**	**(21.247.980)**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

31.12.2023	**USD**	**EUR**	**GBP**	**RUB**	**DZD**	**AED**	**RON**	**GEL**	**PLN**	**The TL Equivalent of Other Currencies**	**TL Equivalent (Historical Value)**	**TL Equivalent (Indexed)**
1. Trade receivables	113.024	127.175	--	--	7.998.506	55.025	13.926	776	--	--	9.764.373	14.097.682
2a. Monetary Financial Assets (Cash and Banks)	44.867	25.258	7	187	228.732	33.763	5.233	4.079	2	122.462	2.664.488	3.846.955
2b. Non-monetary Financial Assets	--	6	--	--	--	--	--	--	--	--	195	282
3. Other	139.173	76.175	--	--	13.171	206.156	619	--	--	5.517	8.233.886	11.887.983
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**	**29.832.902**
5. Trade Receivables	114	--	--	--	--	--	--	--	--	--	3.355	4.844
6a. Monetary Financial Assets	10.059	--	--	--	--	--	--	--	--	--	296.120	427.534
6b. Non-monetary Financial Assets	--	--	--	--	--	--	--	--	--	--	--	--
7. Other	4	4.144	--	--	3.209	--	--	--	--	--	135.806	196.075
8. Non-Current Assets (5+6+7)	**10.177**	**4.144**	**--**	**--**	**3.209**	**--**	**--**	**--**	**--**	**--**	**435.281**	**628.453**
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**	**30.461.355**
10. Trade Payables	129.127	85.638	11	--	2.231.007	157.777	15.466	2.008	--	405.216	8.866.737	12.801.686
11. Financial Liabilities	64.781	65.960	--	--	--	48.256	--	--	--	--	4.440.238	6.410.761
12a. Other Monetary Liabilities	123.708	360.463	--	--	289.945	--	--	--	--	82.616	15.529.744	22.421.654
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**	**41.634.103**
14. Trade Payables	88.854	25.811	--	--	--	--	--	--	--	18.135	3.474.624	5.016.619
15. Financial Liabilities	298.070	166.776	--	--	--	89.280	--	30.125	--	--	15.249.010	22.016.333
16a. Other Monetary Liabilities	5.624	649	--	--	--	--	--	--	--	--	186.716	269.578
16b. Other Non-monetary Liabilities	--	--	--	--	321	--	--	--	--	--	71	103
17. Non-current Liabilities (14+15+16)	**392.548**	**193.237**	**--**	**--**	**321**	**89.280**	**--**	**30.125**	**--**	**18.135**	**18.910.420**	**27.302.632**
18. Total Liabilities (13+17)	**710.165**	**705.298**	**11**	**--**	**2.521.273**	**295.313**	**15.466**	**32.133**	**--**	**505.967**	**47.747.140**	**68.936.734**
19. Net Assets of off-balance sheet derivative items (19a-19b)	--	--	--	--	--	--	--	--	--	--	--	--
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)**	**(38.475.379)**
21. Net Foreign Currency Assets / (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)**	**(50.559.616)**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

b) Financial risk factors (continued)

b.3) Market risk management

b.3.1) Foreign currency risk management (continued)

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

Foreign Currency Sensitivity Analysis Table

	31.12.2024			
	Profit/(Loss)		**Equity**	
	Foreign currency appreciation	**Foreign currency depreciation**	**Foreign currency appreciation**	**Foreign currency depreciation**
Change of USD against TL by 10%:				
1- USD net assets / liabilities	(1.009.076)	1.009.076	(1.009.076)	1.009.076
2- Hedged portion of USD risk (-)	--	--	--	--
3- USD net effect (1+2)	(1.009.076)	1.009.076	(1.009.076)	1.009.076
Change of EUR against TL by 10%:				
4- EUR net assets / liabilities	(608.226)	608.226	(608.226)	608.226
5- Hedged portion of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	(608.226)	608.226	(608.226)	608.226
Change of other currencies against TL by 10%:				
7- GBP net assets / liabilities	24	(24)	24	(24)
8- Hedged portion of GBP risk (-)	--	--	--	--
9- GBP net effect (7+8)	24	(24)	24	(24)
Total (3+6+9)	**(1.617.278)**	**1.617.278**	**(1.617.278)**	**1.617.278**

(Currency – Thousand Turkish Liras "(TL)" in terms of purchasing power of the "TL" at 31 December 2024 unless otherwise expressed.)

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

b) Financial risk factors (continued)

b.3) Market risk management

b.3.1) Foreign currency risk management (continued)

Foreign Currency Sensitivity Analysis Table

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

b.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.

36. 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.

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

Fair value of financial instruments (continued):

It is anticipated that the carrying values of trade receivables, together with the related impairment provisions, reflect the fair value.

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.

37. Events After the Reporting Date

The contract for the Timisoara West Bypass Design and Construction Project, tendered by the National Road Infrastructure Administration of Romania (CNAIR), was signed on January 31, 2025. The project includes the construction of a 13.9 km long, 2x2 lane highway, 10 bridges with a total length of 3,031 meters, 4 interchanges, 2 parking areas, and 25 km of connecting roads. The project cost is 282 million Euros, and it is planned to be completed within 30 months.