

**TEKFEN HOLDİNG ANONİM ŐİRKETİ  
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTH  
INTERIM PERIOD  
ENDED 30 JUNE 2023  
TOGETHER WITH  
REVIEW REPORT

(Translated into English from the report  
originally issued in Turkish)



KPMG Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
İş Kuleleri Kule 3 Kat:2-9  
Levent 34330 İstanbul  
Tel +90 212 316 6000  
Fax +90 212 316 6060  
www.kpmg.com.tr

## **Independent Auditor’s Report on Review of Interim Financial Information**

To the Board of Directors of Tekfen Holding Anonim Şirketi

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Tekfen Holding Anonim Şirketi (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2023, and the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information (“the condensed consolidated interim financial information”). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 *Interim Financial Reporting* (“TAS 34”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### *Scope of Review*

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



*Conclusion*

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

*Additional paragraph for convenience translation to English:*

The accounting principles summarized in Note 2, differ from the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the consolidated financial statements and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Alper Güvenç, SMMM  
Partner

9 August 2023  
İstanbul, Türkiye

CONTENT	PAGE
CONDENSED CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 30 JUNE 2023 .....	1-2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023 .....	3
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023 .....	4
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023.....	5
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023 .....	6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023.....	7-42
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP .....	7
NOTE 2 BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .....	7
NOTE 3 ADOPTION OF NEW AND REVISED STANDARDS .....	8
NOTE 4 EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .....	8-11
NOTE 5 SIGNIFICANT CHANGES IN EQUITY .....	11
NOTE 6 SEGMENT REPORTING .....	12-19
NOTE 7 CASH AND CASH EQUIVALENTS .....	20
NOTE 8 TRADE RECEIVABLES AND PAYABLES .....	20-21
NOTE 9 CONTRACT ASSETS AND LIABILITIES ARISING FROM ONGOING CONSTRUCTION WORKS .....	21-22
NOTE 10 INVENTORIES .....	22
NOTE 11 INVESTMENTS VALUED BY EQUITY METHOD .....	23-25
NOTE 12 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS .....	26-28
NOTE 13 SHORT AND LONG-TERM BORROWINGS.....	29
NOTE 14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	29-31
NOTE 15 COMMITMENTS .....	31-32
NOTE 16 SIGNIFICANT RELATED PARTY TRANSACTIONS .....	32
NOTE 17 EQUITY.....	33
NOTE 18 EARNINGS PER SHARE .....	33
NOTE 19 OTHER OPERATING INCOME AND EXPENSES .....	34
NOTE 20 FINANCIAL INCOME AND EXPENSES .....	34
NOTE 21 DERIVATIVE INSTRUMENTS .....	35
NOTE 22 FOREIGN CURRENCY POSITION .....	36-38
NOTE 23 FINANCIAL INSTRUMENTS .....	39-42
NOTE 24 SUBSEQUENT EVENTS .....	42

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

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

ASSETS	Notes	Reviewed 30 June 2023	Audited 31 December 2022
<b>Current Assets</b>		<b>22.764.271</b>	<b>22.403.234</b>
Cash and cash equivalents	7	2.573.119	4.151.531
Financial investments	4	2.033.121	1.769.033
Trade receivables	8	4.948.800	4.152.329
- Related party receivables		67.355	66.136
- Trade receivables		4.881.445	4.086.193
Other receivables		138.294	109.294
- Related party receivables		785	-
- Other receivables		137.509	109.294
Contract assets arising from ongoing construction works	9	3.726.123	2.355.436
Derivative instruments	21	290.820	8.528
Inventories	10	6.735.679	7.930.873
Prepaid expenses		944.963	624.229
- Prepaid expenses		944.963	624.229
Assets related to current tax		199.017	428.389
Other current assets		658.751	500.317
- Other current assets		658.751	500.317
		<u>22.248.687</u>	<u>22.029.959</u>
Assets classified as held for sale		515.584	373.275
<b>Non-Current Assets</b>		<b>13.081.509</b>	<b>9.784.131</b>
Financial investments	4,23	2.870.950	2.063.412
Trade receivables	8	822.612	353.134
- Trade receivables		822.612	353.134
Other receivables		86.741	59.399
- Other receivables		86.741	59.399
Investments valued by equity method	11	1.446.101	1.054.172
Investment property	12	287.493	230.733
Property, plant and equipment	12	5.536.401	4.455.013
Right-of-use assets	12	358.825	106.019
Intangible assets	12	188.831	165.607
- Goodwill		125.714	107.395
- Other intangible assets		63.117	58.212
Prepaid expenses		54.771	46.948
- Prepaid expenses		54.771	46.948
Deferred tax assets		1.338.591	1.163.260
Other non-current assets		90.193	86.434
- Other non-current assets		90.193	86.434
<b>TOTAL ASSETS</b>		<b><u>35.845.780</u></b>	<b><u>32.187.365</u></b>

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

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

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

		Reviewed 30 June 2023	Audited 31 December 2022
<b>LIABILITIES</b>	<b>Notes</b>		
<b>Current Liabilities</b>		<b>21.099.247</b>	<b>18.287.702</b>
Short-term borrowings	13	4.289.561	2.533.011
Short-term portion of long-term borrowings		513.660	191.296
Trade payables	8	10.280.217	10.566.301
- <i>Related party payables</i>		34.519	8.963
- <i>Trade payables</i>		10.245.698	10.557.338
Payables related to employee benefits		333.821	171.487
Other payables		459.440	236.511
- <i>Related party payables</i>		18.820	7.728
- <i>Other payables</i>		440.620	228.783
Contract liabilities arising from ongoing construction works	9	995.485	1.057.846
Derivative instruments	21	17.308	353.686
Deferred revenue		3.002.988	2.109.775
- <i>Deferred revenue</i>		3.002.988	2.109.775
Current tax liability		117.146	385.978
Short-term provisions	14	1.077.342	678.634
- <i>Short-term provisions attributable to employee benefits</i>		274.368	267.169
- <i>Other short-term provisions</i>		802.974	411.465
Other short-term liabilities		12.279	3.177
- <i>Other short-term liabilities</i>		12.279	3.177
<b>Non-Current Liabilities</b>		<b>3.514.462</b>	<b>3.309.463</b>
Long-term borrowings	13	2.421.973	1.997.225
Trade payables	8	42.892	359.085
- <i>Trade payables</i>		42.892	359.085
Other payables		165.072	202.179
- <i>Other payables</i>		165.072	202.179
Deferred revenue		226	226
- <i>Deferred revenue</i>		226	226
Long-term provisions	14	554.461	491.372
- <i>Long-term provisions attributable to employee benefits</i>		554.461	491.353
- <i>Other long-term provisions</i>		-	19
Deferred tax liabilities		329.838	259.376
<b>TOTAL LIABILITIES</b>		<b>24.613.709</b>	<b>21.597.165</b>
<b>EQUITY</b>		<b>11.232.071</b>	<b>10.590.200</b>
<b>Equity Attributable To Owners Of The Parent</b>	5, 17	<b>11.045.026</b>	<b>10.428.977</b>
Paid in capital		370.000	370.000
Capital structure adjustment		3.475	3.475
Premiums in capital stock		300.984	300.984
Accumulated other comprehensive income (loss) that will not be reclassified to profit or loss		(1.592.929)	(1.085.526)
- <i>Loss on investments in equity instruments (-)</i>		(1.472.044)	(967.393)
- <i>Loss on revaluation and remeasurement (-)</i>		(120.885)	(118.133)
Accumulated other comprehensive income that will be reclassified to profit or loss		5.232.607	3.130.480
- <i>Currency translation reserve</i>		5.013.839	3.406.555
- <i>Hedging reserve</i>		218.768	(276.075)
Legal reserves		668.432	571.038
Prior years' income		5.925.627	3.665.188
Net profit for the period		136.830	3.473.338
<b>Non-controlling Interests</b>		<b>187.045</b>	<b>161.223</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>35.845.780</b>	<b>32.187.365</b>

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

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

	Notes	Reviewed 1 January- 30 June 2023	Unreviewed 1 April- 30 June 2023	Reviewed 1 January - 30 June 2022	Unreviewed 1 April- 30 June 2022
Revenue	6	18.064.869	8.810.963	12.995.146	7.699.320
Cost of revenue (-)		(15.959.594)	(7.492.394)	(11.251.611)	(6.256.510)
<b>GROSS PROFIT</b>		<b>2.105.275</b>	<b>1.318.569</b>	<b>1.743.535</b>	<b>1.442.810</b>
General administrative expenses (-)		(608.257)	(322.543)	(418.497)	(233.741)
Marketing expenses (-)		(754.054)	(338.432)	(335.506)	(195.284)
Research and development expenses (-)		(22.354)	(11.486)	(13.227)	(7.848)
Other operating income	19	907.300	633.672	1.402.221	800.057
Other operating expenses (-)	19	(2.119.575)	(1.592.703)	(1.809.463)	(1.024.044)
Share on profit (loss) of investments valued by equity method	11	(7.495)	(47.918)	18.128	(16.913)
<b>OPERATING PROFIT (LOSS)</b>		<b>(499.160)</b>	<b>(360.841)</b>	<b>587.191</b>	<b>765.037</b>
Investment income	4	829.411	695.657	482.209	291.965
Investment expense (-)	4	(18.009)	(2.127)	(114.449)	(65.456)
<b>PROFIT BEFORE FINANCIAL INCOME (EXPENSE)</b>		<b>312.242</b>	<b>332.689</b>	<b>954.951</b>	<b>991.546</b>
Financial income	20	667.299	533.368	1.116.606	385.998
Financial expenses (-)	20	(678.415)	(530.728)	(734.730)	(206.893)
<b>PROFIT FROM CONTINUING OPERATIONS BEFORE TAXATION</b>		<b>301.126</b>	<b>335.329</b>	<b>1.336.827</b>	<b>1.170.651</b>
<b>Tax Expense from Continuing Operations (-)</b>	4	<b>(215.350)</b>	<b>124.029</b>	<b>(270.665)</b>	<b>(203.540)</b>
Tax expense for the period (-)		(447.262)	(111.461)	(89.818)	(108.841)
Deferred tax income (expense)		231.912	235.490	(180.847)	(94.699)
<b>PROFIT FROM CONTINUING OPERATIONS FOR THE PERIOD</b>		<b>85.776</b>	<b>459.358</b>	<b>1.066.162</b>	<b>967.111</b>
<b>Distribution of Profit (Loss) for the Period</b>					
Non-controlling interests		(51.054)	(36.963)	(11.446)	(5.062)
Owners of the parent	18	136.830	496.321	1.077.608	972.173
<b>Earnings Per Share</b>	18	<b>0,370</b>	<b>1,341</b>	<b>2,912</b>	<b>2,627</b>

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

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

	Reviewed 1 January- 30 June 2023	Unreviewed 1 April- 30 June 2023	Reviewed 1 January - 30 June 2022	Unreviewed 1 April- 30 June 2022
<b>PROFIT FOR THE PERIOD</b>	<b>85.776</b>	<b>459.358</b>	<b>1.066.162</b>	<b>967.111</b>
<b>OTHER COMPREHENSIVE INCOME:</b>				
<b><u>Items that will not be reclassified to profit or loss</u></b>	<b>(507.403)</b>	<b>(456.212)</b>	<b>(146.651)</b>	<b>(124.714)</b>
Gain (loss) on investments in equity instruments	(504.942)	(440.620)	(147.812)	(127.720)
Gain (loss) on revaluation of defined benefit plans	(2.854)	(16.877)	1.291	738
Taxes based on other comprehensive income that will not be reclassified to profit or loss	393	1.285	(130)	2.268
- <i>Deferred tax (expense) income</i>	393	1.285	(130)	2.268
<b><u>Items that will be reclassified to profit or loss</u></b>	<b>2.179.003</b>	<b>1.983.288</b>	<b>585.015</b>	<b>375.684</b>
Currency translation reserve differences	1.684.160	1.572.912	597.468	339.909
Other comprehensive income (expense) related to cash flow hedging	618.554	512.970	(16.173)	46.461
Taxes based on other comprehensive income that will be reclassified to profit or loss	(123.711)	(102.594)	3.720	(10.686)
- <i>Deferred tax (income) expense (-)</i>	(123.711)	(102.594)	3.720	(10.686)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>1.671.600</b>	<b>1.527.076</b>	<b>438.364</b>	<b>250.970</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1.757.376</b>	<b>1.986.434</b>	<b>1.504.526</b>	<b>1.218.081</b>
<b>Distribution of Total Comprehensive Income for the Period</b>				
Non-controlling interests	25.822	34.855	24.220	14.230
Owners of the parent	1.731.554	1.951.579	1.480.306	1.203.851

The accompanying notes form an integral part of these condensed consolidated financial statements.  
Translated into English from the report originally issued in Turkish.



# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

				Items not to be reclassified to profit or loss	Items to be reclassified to profit or loss	Retained Earnings							
	Paid in capital	Capital structure adjustment	Premiums in capital stock	Gain (loss) on investments in equity instruments	Gain (loss) on revaluation and remeasurement	Currency translation reserve	Gains (loss) on hedging	Legal reserves	Prior years' income	Net profit for the (loss) period	Equity attributable to owners of the parent	Non- controlling interests	Equity
<b>Reviewed</b>													
<b>Opening balance as of 1 January 2022</b>	370.000	3.475	300.984	(362.986)	3.594	2.577.869	192.376	397.716	3.273.381	839.228	7.595.637	129.823	7.725.460
Transfers	-	-	-	-	-	-	-	165.659	673.569	(839.228)	-	-	-
Total comprehensive income	-	-	-	(148.044)	1.393	561.802	(12.453)	-	-	1.077.608	1.480.306	24.220	1.504.526
- Profit (loss) for the period	-	-	-	-	-	-	-	-	-	1.077.608	1.077.608	(11.446)	1.066.162
- Other comprehensive income (expense)	-	-	-	(148.044)	1.393	561.802	(12.453)	-	-	-	402.698	35.666	438.364
Acquisition of subsidiary	-	-	-	-	-	-	-	-	(274.164)	-	(274.164)	-	(274.164)
Other changes	-	-	-	-	(65)	-	-	-	65	-	-	-	-
<b>Closing balance as of 30 June 2022</b>	<b>370.000</b>	<b>3.475</b>	<b>300.984</b>	<b>(511.030)</b>	<b>4.922</b>	<b>3.139.671</b>	<b>179.923</b>	<b>563.375</b>	<b>3.672.851</b>	<b>1.077.608</b>	<b>8.801.779</b>	<b>154.043</b>	<b>8.955.822</b>
<b>Reviewed</b>													
<b>Opening balance as of 1 January 2023</b>	370.000	3.475	300.984	(967.393)	(118.133)	3.406.555	(276.075)	571.038	3.665.188	3.473.338	10.428.977	161.223	10.590.200
Transfers	-	-	-	-	-	-	-	97.394	3.375.944	(3.473.338)	-	-	-
Total comprehensive income	-	-	-	(504.651)	(2.752)	1.607.284	494.843	-	-	136.830	1.731.554	25.822	1.757.376
- Profit (loss) for the period	-	-	-	-	-	-	-	-	-	136.830	136.830	(51.054)	85.776
- Other comprehensive income (expense)	-	-	-	(504.651)	(2.752)	1.607.284	494.843	-	-	-	1.594.724	76.876	1.671.600
Dividends (Note: 5)	-	-	-	-	-	-	-	-	(1.115.505)	-	(1.115.505)	-	(1.115.505)
<b>Closing balance as of 30 June 2023</b>	<b>370.000</b>	<b>3.475</b>	<b>300.984</b>	<b>(1.472.044)</b>	<b>(120.885)</b>	<b>5.013.839</b>	<b>218.768</b>	<b>668.432</b>	<b>5.925.627</b>	<b>136.830</b>	<b>11.045.026</b>	<b>187.045</b>	<b>11.232.071</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.  
Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

	Notes	Reviewed 1 January - 30 June 2023	Reviewed 1 January - 30 June 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(1.596.654)</b>	<b>(2.393.800)</b>
Profit for the Period		85.776	1.066.162
Adjustments to Reconcile Net Profit		740.345	220.982
- Depreciation and Amortization	12	344.237	269.696
- Impairment/Reversed Provision	10	(7.599)	(7.023)
- Provision Adjustments	8, 14	318.686	(60.019)
- Dividend Income and Expenses		(40.647)	(12.420)
- Interest Income and Expense Adjustments	20	151.941	133.551
- Gain/Loss on Fair Valuation	4,23	(212.267)	(330.220)
- Group's Share on Profit of Investments in Associates Accounted by Equity Method	11	7.495	(18.128)
- Allowance for Taxation		215.350	270.665
- Adjustments for Gain/Loss on Sale of Fixed Assets	12	(36.851)	(10.160)
- Adjustments for Gain/Loss on Sales of Joint Ventures	1,11	-	(14.960)
Movements in Working Capital		(1.632.721)	(3.289.650)
- Changes in Financial Investments	4	(224.569)	(2.657.765)
- Changes in Trade Receivables	8	(1.320.927)	(1.716.521)
- Changes in Other Assets		(218.535)	(150.928)
- Changes in Contract Assets Arising from Ongoing Construction Works	9	(1.370.687)	(317.612)
- Changes in Derivative Instruments		-	(198.462)
- Changes in Inventories	10	1.205.839	(1.243.586)
- Changes in Prepaid Expenses		(320.446)	(280.340)
- Changes in Trade Payables	8	(602.217)	1.809.973
- Changes in Payables Related to Employee Benefits		162.334	15.910
- Changes in Contract Liabilities Arising from Ongoing Construction Works	9	(62.361)	465.920
- Changes in Other Liabilities		225.635	125.643
- Changes in Deferred Revenue		893.213	858.118
Cash Generated by Operating Activities		(806.600)	(2.002.506)
Interest Paid		(166.605)	(91.813)
Interest Received		65.933	42.494
Payments Related to Employee Benefits	14	(202.442)	(116.271)
Other Provision Paid	14	(218)	(717)
Tax Paid/Return		(486.722)	(224.987)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(477.631)</b>	<b>(439.937)</b>
Cash Inflows from Sales of Shares or Capital Decrease of Associates or Joint Ventures	1,11	-	29.268
Cash Outflows for Acquisition of Shares in Other Entities or Shares in Funds or Borrowing Instruments	4,23	(4.955)	(84.092)
Proceeds from Sales of Tangible and Intangible Assets	12	41.403	16.565
Acquisition of Tangible and Intangible Assets	12	(535.498)	(394.096)
Proceeds from Sales of Investment Properties	12	-	1.542
Acquisition of Investment Properties	12	(4.443)	(1.924)
Proceeds from Sales of Assets Held for Sale		1.665	-
Advances and Debts Given		(8.111)	(16.671)
Dividend Received		32.308	9.471
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(564.885)</b>	<b>479.415</b>
Proceeds from Borrowings		2.121.434	2.034.663
Repayments of Borrowings		(1.517.489)	(1.182.272)
Payments of Lease Obligations		(71.911)	(27.730)
Dividend Paid		(1.096.919)	(345.246)
<b>CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION RESERVE EFFECT</b>		<b>(2.639.170)</b>	<b>(2.354.322)</b>
<b>D. CURRENCY TRANSLATION RESERVE EFFECT ON CASH AND CASH EQUIVALENTS</b>		1.060.758	753.621
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(1.578.412)</b>	<b>(1.600.701)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		4.151.531	5.064.108
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>		<b>2.573.119</b>	<b>3.463.407</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.  
Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

Majority shares of Tekfen Holding A.Ş. (“the Company”) are controlled by Berker, Gökyiğit and Akçağlılar families. The Company and its subsidiaries are referred as “the Group” in the accompanying condensed consolidated financial statements.

As of 30 June 2023, the Group has 12.570 employees (31 December 2022: 11.950) including the personnel of subcontractors. Registered address of the Company is Kültür Mahallesi, Budak Sokak, Tekfen Sitesi A Blok, No: 7, Beşiktaş, İstanbul, Türkiye.

The Company shares are being publicly traded in Borsa İstanbul since 23 November 2007.

#### Approval of condensed consolidated financial statements:

The condensed consolidated financial statements are approved and published by the Board of Directors as of 9 August 2023.

### 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the accounting principles in line with the Turkish Commercial Code (“TCC”) and Tax Legislation. Subsidiaries those are registered in foreign countries maintain their books of account and prepare their statutory financial statements in local currencies and in accordance with the prevailing accounting principles in their registered countries.

The accompanying condensed consolidated financial statements have been prepared in accordance with the Communiqué Series II, 14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 which is published on Official Gazette numbered 28676. Turkish Accounting and Financial Reporting Standards (“TFRS”) and additions and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority (“POA”) are predicated on in accordance with article 5th of the Communiqué.

The condensed consolidated financial statements and notes are presented in accordance with the formats of Examples of Financial Statements and Usage Guide announced by CMB and “Announcement regarding to TFRS Taxonomy” which was published by POA on 4 October 2022.

The Group has preferred to disclose its interim consolidated financial statements as of 30 June 2023 in condensed format in accordance with TAS 34 “Interim Financial Reporting” standard. The descriptions and disclosures which are needed in the financial statements prepared annually complying with TFRS are summarized appropriately in accordance with TAS 34 or not mentioned.

The accompanying condensed consolidated financial statements have to be considered with the consolidated financial statements which are independently audited as of 31 December 2022 and the related disclosures. Interim periods’ financial statements cannot be the sole indicator of the year-end results by themselves.

For the condensed consolidated financial statements, the Group continues to apply the same accounting policies and accounting estimate methods which are mentioned in the audited consolidated financial statements as of 31 December 2022.

According to the announcement made by POA on 20 January 2022, it was stated that companies applying TFRS will not need to make any adjustments within the scope of TAS 29 Financial Reporting in High Inflation Economies in their financial statements for the year ended December 31, 2021. No new announcement has been made by the POA regarding the application of inflation accounting, and no inflation adjustment has been made according to TAS 29 while preparing the consolidated financial statements as of 30 June 2023.

Exchange rates used in the consolidation process as of 30 June 2023 are; 1 USD= 25,8231 TL, 1 EUR= 28,1540 TL, 1 AZN= 15,1900 TL, 1 SAR= 6,8862 TL, 1 QAR= 7,0748 TL, 1 RON= 5,6505 (Exchange rates as of 31 December 2022 are; 1 USD= 18,6983 TRY, 1 EUR= 19,9349 TRY, 1 AZN= 10,9990 TRY, 1 SAR= 4,9862 TRY, 1 QAR= 5,1228 TRY, 1 RON= 4,0062).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 3. ADOPTION OF NEW AND REVISED STANDARDS

New and revised standards and interpretations are presented below:

- (a) **Amendments in standards affecting the notes and amounts in the condensed consolidated financial statements:**
- TAS 8 (amendments), "Definition of Accounting Estimates", effective for annual periods beginning after 1 January 2023.
  - TAS 1 (amendments), "Disclosure of Accounting Policies", effective for annual periods beginning after 1 January 2023.
  - TAS 12 (amendments), International Tax Reform - Pillar Two Model Rules, the deferred tax exception and the announcement of the exception came into effect, effective for annual periods beginning after 1 January 2023.
- (b) **Standards, amendments and interpretations to existing standards that are effective as of the year 2023, but not affecting the condensed consolidated financial statements of the Group:**
- TFRS 17 and TFRS 4 (amendments), postponement of the application of TFRS 9; effective for annual periods beginning after 1 January 2023.
  - TFRS 17 "Insurance Contracts", effective for annual periods beginning after 1 January 2023.
  - TAS 12 (amendments), "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction", effective for annual periods beginning after 1 January 2023.
- (c) **Standards and interpretations and amendments to existing standards that are issued but not yet effective and have not been early adopted by the Group:**
- TAS 1 (amendments), "Classification of Liabilities", effective for annual periods beginning after 1 January 2024.
  - TAS 7 ve TFRS 7 (amendments), Disclosures – Supplier Finance Arrangements, effective for annual periods beginning after 1 January 2024.
  - TFRS 1 "General Requirements for Disclosure of Sustainability-related Financial Information" effective for annual periods beginning after 1 January 2024.
  - TFRS 2 "Climate-related Disclosures" effective for annual periods beginning after 1 January 2024.
  - TFRS 16 (amendments), "Sale and Leaseback Transactions" effective for annual periods beginning after 1 January 2024.

The Group evaluates the effects of the standards issued but not yet effective as of 30 June 2023 on its consolidated financial position and performance.

#### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

##### Construction Projects

In order to compensate for the losses caused by the negativities in various construction projects in the past years, the processes envisaged in the contracts with the Employer administrations have been initiated and the negotiations with the administrations are continue as of the report date.

The compensation and claim files prepared by the contract department together with international expert consulting firms have been submitted to the employer administrations. The Engineering and Contracting segment, which continues to work within the framework of contractual obligations during the extraordinary period, by taking every possible and reasonable precautions, will continue to negotiate diligently for these justified demands to be concluded positively.

Current information about related projects is as follows;

##### Qatar - Al-Thumama Stadium Project:

Pursuant to the contract signed between Tekfen-Al Jaber J.V., which Tekfen İnşaat holds 50% ownership, and Employer administration Qatar Supreme Committee for Delivery and Legacy on 10 December 2017, the engineering and construction works of the stadium complex project, where the 2022 World Cup Quarter Finals held in Qatar, were undertaken. The financial completion rate of the project is 96% as of the balance sheet date.

During the construction process, due to the changes, as requested by the Employer administration, made in the design of the project to comply with FIFA Standards, it has been an increase in the end-of-project cost and Group share of this increase has been included in the consolidated financial statements. No income has been recorded in the consolidated financial statements as no agreement has been reached on compensation claims as of the report date. Negotiations with the administration for the compensation of the losses incurred in the project continue as of the report date.

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### Construction Projects (cont'd)

###### Qatar - Al Khor Highway Project:

Pursuant to the contract signed between Tekfen İnşaat and Qatar Public Engineering Office (PEO) on 13 October 2016, the project, which consists of a 10-lane 34 km length highway and its infrastructure, various intersections, viaducts, under and overpasses, was undertaken. The financial completion rate of the project is 99% as of the balance sheet date.

During the construction of the project, the revenues from the additional works performed with the instructions of the Employer administration are recognized in the consolidated financial statements in accordance with "TFRS 15 Revenue from Customer Contracts" standard and the management estimations.

###### Russia - Gas Transmission Pipeline between Kharampur Gas Field and Gazprom Main Pipeline:

Rusfen, one of the subsidiaries of the Group, signed a contract with Kharampurneftgaz LLC on 27 December 2019, for the construction and installation of 90 km length 48" gas pipeline. The financial completion rate of the project is 97% as of the balance sheet date.

Due to various negativities experienced during the construction process of the project, which was undertaken in the Yamalo-Nenets autonomous region of Russia, some of the effects of the financial results reflected in the consolidated financial statements at the beginning of the project, the measures taken to reduce the costs and the different business methods developed, resulting in a decrease in the end-of-project costs. As of the report date, all of the expected loss at the end of the project is included in the accompanying consolidated financial statements. Negotiations with the Employer administration regarding the compensation of our remaining losses are continuing.

###### Saudi Arabia - Haradh Satellite Compressor Stations Pipelines Project:

Pursuant to the contract signed between Tekfen İnşaat and Saudi Arabian Oil Company on 30 July 2018, the Haradh Field Gas Increase Programme - Satellite Gas Compressor Stations Pipeline Construction Project was undertaken. The financial completion rate of the project is 96% as of the balance sheet date.

In the project, negativities are experienced due to the delays in the materials provided by the Employer administration and the time extensions caused by the Employer administration. All of the loss expected to increase in the estimated costs of the project as of the report date has been included in the consolidated financial statements. Additional work done, additional cost increases and time extension resources, additional income demand negotiations continue within the scope of the contract signed with the Employer administration.

###### North Field East Onshore Common Offsites 2 Project:

General Works for Offsites 2 (Inlets, Water Treatment and Flare) and South Interconnecting Piperack (PSM-007A) for North Field East Onshore Project EPC-1 project has been undertaken in Qatar pursuant to the contract signed between Tekfen İnşaat and Chiyoda Technip Joint Venture (CTJV) on 31 January 2022. The financial completion rate of the project is 27% as of the balance sheet date.

As of the report date, the estimated cost of the project is expected to increase due to the installation of temporary facilities, the negativities experienced during the mobilization phase, delays and the actions taken afterwards. Negative changes in the income/expense difference resulting from the said cost increase and the inclusion of additional revenues are included in the consolidated financial statements. Additional revenue demand negotiations with the Main Contractor (CTJV) continue within the scope of the signed contract.

##### Competition Authority Review

The Competition Authority, with its decision dated 12 August 2021 and numbered 21-38/543-M, started an investigation to seven companies operating in the fertilizer production sector, including Toros Tarım, whether Article 4 of the Law on the Protection of Competition No. 4054 is violated.

Investigation notification numbered E-13183850-110.01.04-30821 indicating that an investigation has been initiated reached the Company on 26 August 2021. Within the scope of the investigation, written defenses dated 29 September 2021, 11 October 2022 and 16 January 2023 were submitted to the Competition Authority by Toros Tarım. The oral defense date, which was determined as 14 March 2023, was postponed to an indefinite date due to the earthquake in Kahramanmaraş. The oral defense date was notified to the Company as 25 July 2023 by the Competition Authority. The Competition Authority clarified that they were publishing its decision within fifteen days after the oral defence.

With the Competition Board's decision dated 3 August 2023 and numbered 23-36/670-226, it has been reported that Article 4 of the Law No. 4054 on the Protection of Competition was not violated and it is not necessary to impose administrative fines on the enterprises that are subject to the investigation.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### Financial Investments

###### Long term financial investments

During the three month interim period ended 30 June 2023, the positive change of 148.805 and negative change of 17.860 in the fair value of the Group's fair value through profit or loss financial investments has been recognized in the investment income and expenses lines of condensed consolidated statement of profit or loss (30 June 2022: 13.454 positive, 112.644 negative). The Group has purchased 4.955 financial investments at fair value through profit or loss during the period. (30 June 2022: 71.694).

###### Short term financial investments

The currency protected deposits (KKM) are classified as fair value through profit or loss financial investments in the condensed consolidated financial statements as of 30 June 2023. The positive changes in the fair value of KKM amounting to 572.587 are recognized in the investment income in the condensed consolidated statement of profit or loss (30 June 2022: 427.994 positive). Total amount of KKM is presented in short-term financial investments as of 30 June 2023 is 1.810.342 (31 December 2022: 1.596.161).

As of 30 June 2023, the Eurobond total shown in short-term financial investments is 220.973 (31 December 2022: 171.464).

##### Current Tax Expense and Deferred Tax

With the article 11 of the Law No. 7316 on the Procedure for the Collection of Public Claims and Amending Certain Laws, published in the Official Gazette No. 31462 dated 22 April 2021, provisional 13th article added to the Corporate Tax Law No. 5520, corporate tax rate will be applied as 20% for the corporate earnings for the 2023 taxation period. In the consolidated financial statements as of 30 June 2023, 20% has been used as the tax rate in the period tax calculations. In the deferred tax calculations, the rates have been determined depending on the period in which the taxable/deductible temporary differences are expected to be realized.

In accordance with paragraph 27 of Article 10 of the "Law on the Restructuring of Certain Receivables and Amendments to Certain Laws" published in the Official Gazette dated March 12, 2023 and numbered 32130, by corporate taxpayers by being shown in their corporate tax return for the year 2022, Pursuant to the Law No. 5520 and the regulations in other laws, the exemption and deduction amounts subject to deduction from corporate income and the tax base subject to reduced corporate tax within the scope of Article 32/A of the same Law, at the rate of 10 percent without being associated with the period income and in accordance with the first paragraph of Article 5 (a) with the exception set out in the clause, it is stipulated that a one-time additional tax of 5% is collected on the exempt earnings obtained from abroad and proven to carry a tax burden of at least 15%. This tax will not be considered as an expense or deduction and cannot be deducted from any tax. The first installment of this tax will be paid within the payment period of the corporate tax, and the second installment will be paid in the fourth month following this period. Some exceptions and discounts listed in the Law No. 7440 are outside the scope of additional tax. The tax expense amounting to an estimated amount of 298.507 accrued has been accounted for under the current tax expense item in the condensed consolidated statement of profit or loss.

Deferred tax assets are recognized if it is probable that taxable profits will be sufficient to offset unused prior year tax losses, tax benefits and deductible temporary differences in the future. Deferred tax assets are reviewed at each reporting date and unrecognized deferred tax assets are recognized, limited to these amounts, if it is probable that taxable profit will be generated in the future.

Deferred tax income amounting to 135.145 arising from unused tax losses in the current period has been recognized in the condensed consolidated statement of profit or loss, and the expiry date of these financial losses is 31 December 2028.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### Other

Due to the negativities caused by the earthquakes that took place in Kahramanmaraş on February 6, 2023, affecting many of our provinces and shaking our whole country, in accordance with the Official Gazette numbered 32098 on Wednesday, February 8, 2023, Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye, Şanlıurfa and Elazığ provinces, it was decided to declare a state of emergency for three months. Since the earthquake experienced and the measures taken, the economic effects in the provinces exposed to the earthquake are uncertain as of the reporting date, the developments regarding the natural disaster in question are closely monitored and studies for due diligence are ongoing. As of the report date, there are no negative situations affecting our activities.

In the event of an earthquake disaster that occurred in Kahramanmaraş and directly affected eleven provinces, the Group urgently opened a cash and/or in-kind donation emergency use fund of 10.000, 3.000 of which is cash to AFAD. It has been decided to work on creating an additional joint fund by all group companies to be used in medium and long-term projects in order to meet the priority needs, especially accommodation, that will emerge in the following time. In addition, the accommodation needs of all group companies employees affected in the region were met, and a cash aid of 10.000 TL was provided. At the Ordinary General Assembly meeting held on 2023, the donations made until this date was submitted for the information of the shareholders within the framework of the Capital Markets Board's decision dated 9 February 2023 and numbered 8/174.

#### 5. SIGNIFICANT CHANGES IN EQUITY

##### Gain (Loss) on Investments in Equity Instruments:

The negative change of 504.651 in the fair values of the fair value through other comprehensive income financial investments of the Group has been directly recognized in equity (30 June 2022: negative change of 148.044).

##### Legal Reserves:

In accordance with the resolutions taken during the Ordinary General Assemblies of Group companies as of 30 June 2023, 97.394 of legal reserves were transferred from retained earnings in the condensed consolidated financial statements as of 30 June 2023 (30 June 2022: 165.659).

##### Hedging Reserve:

The positive change of 494.843 (30 June 2022: negative 12.453) in the fair values of the effective derivative instruments which the Group uses for cash flow hedging has been recognized in equity.

##### Profit Distribution:

Upon the resolution of the Ordinary General Assembly held on 7 April 2023, it is decided to distribute 2,82 TL (2021: 0,69 TL) gross cash dividends per share share attributable to the operations of the year of 2022. It has been decided to pay a total of 1.115.505 (2021: 274.164) dividends in two equal installments on 12 April 2023 and 10 May 2023, 1.042.582 (2021: 256.688) to the shareholders and 72.923 (2021: 17.476) to the Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı, which holds redeemed shares. As of the report date, the remaining balance is 18.586, which is recognized in other payables to short-term related parties in the balance sheet.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 6. SEGMENT REPORTING

During the current period, Group's management has decided to conduct its activities that it has managed in five business segments as Engineering and Contracting, Chemical Industry, Agricultural Production, Service and Investment in the previous year on the basis of five business segments as Engineering and Contracting, Agricultural Industry and Investment. Due to the mentioned revision in the business segments, comparative information on segmental reporting has been revised on the basis of three segments. Nature of the activities of the business segments of the Group can be summarized as follows:

##### Engineering and Contracting Segment

Engineering and Contracting segment undertakes infrastructure and industrial construction projects in Turkey, Azerbaijan, Kazakhstan, Saudi Arabia, Qatar and Iraq. Petroleum, gas and petrochemical facilities, pipelines, land and marine terminals, off-shore platforms, tank farms, oil refineries, pumping stations, power plants, and highway, subway, bridge and tunnel construction, electrical and instrumentation projects, infrastructure projects, production facilities, commercial and technical building complexes and major sports complexes are included in Engineering and Contracting segment's scope of activity. Income provided from the consolidation of Azfen by equity method is disclosed in this segment.

##### Agricultural Industry Segment

The Agricultural Industry segment continues its activities in the the production and sale of mineral fertilizers as well as special water soluble fertilizers and organic/organomineral fertilizers. It also manufactures bags used in fertilizer packaging in its own facility. Additionally, it generates biogas through the fermentation of organic wastes and electricity from biogas and also produces solid and liquid organic fertilizers from wastes that have completed the gasification process. In addition, plant tissue, banana sapling cultivation, high quality potato seed, certified wheat germ production and sale activities are carried out. Also production, packaging and export operations of cherry, apricot, pomegranate, plum, and figs are made. Terminal management, ship agency, free zone operations are among the other activities of the Agricultural Industry segment.

##### Investment Segment

Operations of Investment segment mainly comprise of Tekfen Ventures' investments in innovation-creating initiatives and holding operations. Holding operations are executed by the Company and include coordinating the Group's financial needs when needed. Dividend income, rent income, interest income, foreign exchange gains of Tekfen Holding and fair value gains of financial investments are main source of Investment Segment's revenue. In addition to Tekfen Ventures' investments, SOCAR Polymer Investments LLC, Akmerkez Gayrimenkul Yatırım Ortaklığı and Berlin Light JV S.a.r.l, some of the Group's major financial investments, are also within the scope of the Investment Segment's activities. Insurance services and building and facility management services are among the other activities of the Investment segment.



## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

##### a) Segment results:

	1 January - 30 June 2023			
	Engineering & Contracting	Agricultural Industry	Investment	Total
Revenue	6.647.085	11.299.170	118.614	18.064.869
Cost of revenue (-)	(6.230.340)	(9.667.094)	(62.160)	(15.959.594)
<b>GROSS PROFIT</b>	<b>416.745</b>	<b>1.632.076</b>	<b>56.454</b>	<b>2.105.275</b>
General administrative expenses (-)	(303.542)	(121.699)	(183.016)	(608.257)
Marketing expenses (-)	(15.191)	(738.863)	-	(754.054)
Research and development expenses (-)	(9.714)	(12.640)	-	(22.354)
Other operating income	290.414	611.830	5.056	907.300
Other operating expenses (-)	(308.969)	(1.780.643)	(29.963)	(2.119.575)
Share on profit (loss) of investments valued by equity method	(7.495)	-	-	(7.495)
<b>OPERATING PROFIT (LOSS)</b>	<b>62.248</b>	<b>(409.939)</b>	<b>(151.469)</b>	<b>(499.160)</b>
Investment income	36.311	97.859	695.241	829.411
Investment expense (-)	(135)	(13)	(17.861)	(18.009)
<b>PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>98.424</b>	<b>(312.093)</b>	<b>525.911</b>	<b>312.242</b>
Financial income	51.393	264.365	351.541	667.299
Financial expenses (-)	(186.712)	(488.530)	(3.173)	(678.415)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION</b>	<b>(36.895)</b>	<b>(536.258)</b>	<b>874.279</b>	<b>301.126</b>
Tax (expense) income from continuing operations	(40.243)	(45.393)	(129.714)	(215.350)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD</b>	<b>(77.138)</b>	<b>(581.651)</b>	<b>744.565</b>	<b>85.776</b>

For the six month interim period ended 30 June 2023, there is not any revenue obtained from a single non-related client which constitute higher than 10% of the Group’s total revenue.

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

##### a) Segment results (cont’d):

	1 April - 30 June 2023			Total
	Engineering & Contracting	Agricultural Industry	Investment	
Revenue	3.755.123	4.996.138	59.702	8.810.963
Cost of revenue (-)	(3.523.186)	(3.937.071)	(32.137)	(7.492.394)
<b>GROSS PROFIT</b>	<b>231.937</b>	<b>1.059.067</b>	<b>27.565</b>	<b>1.318.569</b>
General administrative expenses (-)	(141.069)	(72.076)	(109.398)	(322.543)
Marketing expenses (-)	(6.143)	(332.289)	-	(338.432)
Research and development expenses (-)	(5.644)	(5.842)	-	(11.486)
Other operating income	138.416	491.171	4.085	633.672
Other operating expenses (-)	(173.309)	(1.392.292)	(27.102)	(1.592.703)
Share on profit (loss) of investments valued by equity method	(47.918)	-	-	(47.918)
<b>OPERATING LOSS</b>	<b>(3.730)</b>	<b>(252.261)</b>	<b>(104.850)</b>	<b>(360.841)</b>
Investment income	3.585	56.340	635.732	695.657
Investment expense (-)	-	(13)	(2.114)	(2.127)
<b>PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>(145)</b>	<b>(195.934)</b>	<b>528.768</b>	<b>332.689</b>
Financial income	48.994	230.741	253.633	533.368
Financial expense (-)	(97.641)	(431.368)	(1.719)	(530.728)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION</b>	<b>(48.792)</b>	<b>(396.561)</b>	<b>780.682</b>	<b>335.329</b>
Tax expense from continuing operations	(9.975)	196.061	(62.057)	124.029
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD</b>	<b>(58.767)</b>	<b>(200.500)</b>	<b>718.625</b>	<b>459.358</b>

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

##### a) Segment results (cont’d):

	1 January - 30 June 2022			
	Engineering & Contracting	Agricultural Industry	Investment	Total
Revenue	4.963.275	7.965.078	66.793	12.995.146
Cost of revenue (-)	(5.054.698)	(6.159.659)	(37.254)	(11.251.611)
<b>GROSS PROFIT (LOSS)</b>	<b>(91.423)</b>	<b>1.805.419</b>	<b>29.539</b>	<b>1.743.535</b>
General administrative expenses (-)	(261.120)	(85.933)	(71.444)	(418.497)
Marketing expenses (-)	(10.648)	(324.858)	-	(335.506)
Research and development expenses (-)	(5.390)	(7.837)	-	(13.227)
Other operating income	709.874	686.631	5.716	1.402.221
Other operating expenses (-)	(587.701)	(1.208.941)	(12.821)	(1.809.463)
Share on profit of investments valued by equity method	17.967	161	-	18.128
<b>OPERATING PROFIT (LOSS)</b>	<b>(228.441)</b>	<b>864.642</b>	<b>(49.010)</b>	<b>587.191</b>
Investment income	10.901	42.788	428.520	482.209
Investment expense (-)	(133)	(1.648)	(112.668)	(114.449)
<b>PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>(217.673)</b>	<b>905.782</b>	<b>266.842</b>	<b>954.951</b>
Financial income	154.163	326.361	636.082	1.116.606
Financial expenses (-)	(192.417)	(151.141)	(391.172)	(734.730)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION</b>	<b>(255.927)</b>	<b>1.081.002</b>	<b>511.752</b>	<b>1.336.827</b>
Tax (expense) income from continuing operations	(169.888)	(190.486)	89.709	(270.665)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD</b>	<b>(425.815)</b>	<b>890.516</b>	<b>601.461</b>	<b>1.066.162</b>

For the six month interim period ended 30 June 2022, revenues amounting 1.916.922 were obtained from one non-related client of Engineering and Contracting segment which constitute 14,8% of the Group’s revenue.

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

##### a) Segment results (cont’d):

	1 April - 30 June 2022			Total
	Engineering & Contracting	Agricultural Industry	Investment	
Revenue	2.989.655	4.674.341	35.324	7.699.320
Cost of revenue (-)	(2.617.444)	(3.620.399)	(18.667)	(6.256.510)
<b>GROSS PROFIT</b>	<b>372.211</b>	<b>1.053.942</b>	<b>16.657</b>	<b>1.442.810</b>
General administrative expenses (-)	(146.993)	(47.472)	(39.276)	(233.741)
Marketing expenses (-)	(6.167)	(189.117)	-	(195.284)
Research and development expenses (-)	(3.769)	(4.079)	-	(7.848)
Other operating income	446.788	348.253	5.016	800.057
Other operating expenses (-)	(340.697)	(676.070)	(7.277)	(1.024.044)
Share on profit (loss) of investments valued by equity method	(16.913)	-	-	(16.913)
<b>OPERATING PROFIT (LOSS)</b>	<b>304.460</b>	<b>485.457</b>	<b>(24.880)</b>	<b>765.037</b>
Investment income	8.387	38.911	244.667	291.965
Investment expense (-)	(133)	(67)	(65.256)	(65.456)
<b>PROFIT BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>312.714</b>	<b>524.301</b>	<b>154.531</b>	<b>991.546</b>
Financial income	80.542	184.966	120.490	385.998
Financial expense (-)	(106.635)	(73.580)	(26.678)	(206.893)
<b>PROFIT FROM CONTINUING OPERATIONS BEFORE TAXATION</b>	<b>286.621</b>	<b>635.687</b>	<b>248.343</b>	<b>1.170.651</b>
Tax expense from continuing operations	(74.088)	(113.935)	(15.517)	(203.540)
<b>PROFIT FROM CONTINUING OPERATIONS FOR THE PERIOD</b>	<b>212.533</b>	<b>521.752</b>	<b>232.826</b>	<b>967.111</b>

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

##### b) Segment assets and liabilities;

	30 June 2023			
	Engineering & Contracting	Agricultural Industry	Investment	Total
Balance sheet				
Total assets	19.169.915	11.054.921	5.620.944	35.845.780
Current and non-current liabilities	17.232.759	6.771.900	609.050	24.613.709
Equity attributable to owners of the parent	(1.630.591)	6.425.026	6.250.591	11.045.026
Non-controlling interests	277.181	(90.241)	105	187.045

  

	31 December 2022			
	Engineering & Contracting	Agricultural Industry	Investment	Total
Balance sheet				
Total assets	13.816.295	13.954.408	4.416.662	32.187.365
Current and non-current liabilities	12.369.270	8.703.284	524.611	21.597.165
Equity attributable to owners of the parent	(692.647)	6.541.326	4.580.298	10.428.977
Non-controlling interests	198.834	(37.693)	82	161.223

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

c) Segment information related to property, plant and equipment, intangible assets, investment property, right-of-use assets and revenue:

	1 January - 30 June 2023			
	Engineering & Contracting	Agricultural Industry	Investment	Total
Capital expenditures	301.752	229.476	8.713	539.941
Depreciation and amortization expense for the period (*)	255.840	82.575	5.822	344.237
Intra-segment revenue	326.009	154.900	16.937	497.846
Inter-segment revenue	-	4.244	86.290	90.534
	1 April - 30 June 2023			
	Engineering & Contracting	Agricultural Industry	Investment	Total
Capital expenditures	135.015	135.588	8.486	279.089
Depreciation and amortization expense for the period (*)	168.794	38.067	2.915	209.776
Intra-segment revenue	186.991	76.233	8.820	272.044
Inter-segment revenue	-	2.176	40.338	42.514
	1 January - 30 June 2022			
	Engineering & Contracting	Agricultural Industry	Investment	Total
Capital expenditures	67.716	325.508	2.796	396.020
Depreciation and amortization expense for the period (*)	197.461	67.081	5.154	269.696
Intra-segment revenue	69.071	68.260	11.569	148.900
Inter-segment revenue	-	3.562	22.382	25.944
	1 April - 30 June 2022			
	Engineering & Contracting	Agricultural Industry	Investment	Total
Capital expenditures	51.951	171.070	2.126	225.147
Depreciation and amortization expense for the period (*)	106.064	39.624	2.493	148.181
Intra-segment revenue	35.778	34.676	6.170	76.624
Inter-segment revenue	-	1.924	11.630	13.554

(\*) Depreciation expense of 3.046 is added from the cost of inventory (30 June 2022: 3.448 added to the cost of inventory).

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 6. SEGMENT REPORTING (cont’d)

d) Geographical segment information is as follows:

	Turkey	CIS	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 30 June 2023)	12.736.362	1.617.144	3.511.880	787.863	(588.380)	18.064.869
Total Assets (30 June 2023)	45.671.791	15.397.212	10.712.476	7.660.472	(43.596.171)	35.845.780
Capital Expenditures (1 January - 30 June 2023)	276.179	9.019	254.659	84	-	539.941
	Turkey	CIS	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 April - 30 June 2023)	5.949.407	672.770	1.976.703	526.641	(314.558)	8.810.963
Capital Expenditures (1 April - 30 June 2023)	167.820	2.770	108.415	84	-	279.089
	Turkey	CIS	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 30 June 2022)	8.384.281	2.874.812	1.454.841	456.056	(174.844)	12.995.146
Total Assets (31 December 2022)	40.454.370	12.598.332	7.086.867	5.633.752	(33.585.956)	32.187.365
Capital Expenditures (1 January - 30 June 2022)	347.883	34.334	13.565	238	-	396.020
	Turkey	CIS	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 April - 30 June 2022)	4.730.651	1.589.523	1.130.365	338.959	(90.178)	7.699.320
Capital Expenditures (1 April - 30 June 2022)	190.740	20.881	13.412	114	-	225.147

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 7. CASH AND CASH EQUIVALENTS

Time deposits with maturity of three months or less constitute the part of the cash and cash equivalents amounting to 1.263.294 (31 December 2022: 2.135.768). Demand deposits, liquid funds, and other cash equivalents with maturity of three months or less constitute the rest of the cash and cash equivalents.

#### 8. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As at balance sheet date, details of trade receivables of the Group are as follows:

	30 June 2023	31 December 2022
<u>Short-term trade receivables</u>		
Receivables from Engineering & Contracting segment operations	2.915.403	2.578.768
Receivables from Agricultural Industry segment operations	1.369.172	995.386
Receivables from Investment segment operations	9.360	9.129
Provision for doubtful receivables (-)	(212.790)	(157.027)
Retention receivables (Note: 9)	746.366	601.921
Due from related parties	67.355	66.136
Other	53.934	58.016
	<u>4.948.800</u>	<u>4.152.329</u>
<u>Long-term trade receivables</u>		
Retention receivables (Note: 9)	517.392	353.134
Receivables from Engineering & Contracting segment operations	305.220	-
	<u>822.612</u>	<u>353.134</u>

Postdated cheques amounting to 1.002.262 (31 December 2022: 746.184), notes receivables amounting to 28.437 (31 December 2022: 26.932), negative foreign currency differences amounting to 123.996 (31 December 2022: positive 12.689), are included in short and long-term trade receivables. There are no due date differences included in short and long-term trade receivables (31 December 2022: None).

Average maturity date for trade receivables varies between the segments. Average maturity date for Engineering and Contracting segment, for projects in abroad is 94 days (31 December 2022: 103 days), for domestic projects is 82 days (31 December 2022: 72 days), for Agricultural Industry segment is 32 days (31 December 2022: 38 days), and for Investment segment is 30 days (31 December 2022: 30 days).

As of 30 June 2023, receivables amounting 1.535.416 was obtained from a single non-related client which constitute 26,9% of the Group’s receivables (31 December 2022: 1.097.386, 24,7%).

As of 30 June 2023, 212.790 of provision for doubtful receivables was determined based on past uncollectible receivable cases encountered and future expectations (30 June 2022: 141.032).

The movement of the Group’s provision for doubtful trade receivables is as follows:

	2023	2022
Provision as of 1 January	(157.027)	(157.370)
Charge for the period	(551)	(1.750)
Collected	46	36
Provision released	802	-
Write off of bad debt	298	43.021
Currency translation effect	(56.358)	(24.969)
Provision as of 30 June	<u>(212.790)</u>	<u>(141.032)</u>

All of doubtful receivable expense has been charged to general administrative expenses (2022: All of doubtful receivable expense has been charged to cost of revenue and general administrative expenses respectively).



## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 8. TRADE RECEIVABLES AND PAYABLES (cont’d)

##### b) Trade Payables:

As at balance sheet date, details of trade payables of the Group are as follows:

	30 June 2023	31 December 2022
<b>Short-term trade payables</b>		
Payables from Engineering & Contracting segment operations	4.112.973	2.746.940
Payables from Agricultural Industry segment operations	4.206.784	6.593.716
Payables from Investment segment operations	99.475	96.096
Due to related parties	34.519	8.963
Retention payables (Note: 9)	1.821.253	1.116.912
Other	5.213	3.674
	<u>10.280.217</u>	<u>10.566.301</u>
<b>Long-term trade payables</b>		
Retention payables (Note: 9)	21.619	343.850
Payables from Engineering & Contracting segment operations	21.273	15.235
	<u>42.892</u>	<u>359.085</u>

Foreign currency differences amounting to 862.614 (31 December 2022: 348.211) are included in short and long-term trade payables.

For Agricultural Industry segment, payables attributable to inventory supplied through imports constitute 92% (31 December 2022: 94%) of trade payables as at balance sheet date and average payable period for these import purchases is 87 days (31 December 2022: 92 days) whereas average payable period for domestic purchases is 30 days (31 December 2022: 29 days). The average payable period for Engineering and Contracting segment is 198 days (31 December 2022: 194 days), and for Investment segment is 30 days (31 December 2022: 41 days).

#### 9. CONTRACT ASSETS AND LIABILITIES ARISING FROM ONGOING CONSTRUCTION WORKS

	30 June 2023	31 December 2022
Cost incurred on ongoing contracts	140.225.138	99.855.438
Recognised gain less losses (net)	1.350.026	1.072.351
	<u>141.575.164</u>	<u>100.927.789</u>
Less: Billings to date (-)	(138.844.526)	(99.630.199)
	<u>2.730.638</u>	<u>1.297.590</u>

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 9. CONTRACT ASSETS AND LIABILITIES ARISING FROM ONGOING CONSTRUCTION WORKS (cont'd)

Costs and billings incurred on uncompleted contracts in condensed consolidated financial statements are as follows:

	30 June 2023	31 December 2022
Contract assets arising from ongoing construction works	3.726.123	2.355.436
Contract liabilities arising from ongoing construction works	(995.485)	(1.057.846)
	<u>2.730.638</u>	<u>1.297.590</u>
	30 June 2023	31 December 2022
<u>Contract assets arising from ongoing construction works</u>		
Contracts undersigned abroad	3.386.927	2.182.356
Contracts undersigned in Turkey	339.196	173.080
	<u>3.726.123</u>	<u>2.355.436</u>
<u>Contract liabilities arising from ongoing construction works</u>		
Contracts undersigned abroad	(797.497)	(914.906)
Contracts undersigned in Turkey	(197.988)	(142.940)
	<u>(995.485)</u>	<u>(1.057.846)</u>
	<u>2.730.638</u>	<u>1.297.590</u>

The Group has 509.836 of advances given to subcontractors and other suppliers for construction projects classified in short-term prepaid expenses (31 December 2022: 323.679). Also, the Group has 2.413.905 of advances received for contracting projects classified in deferred revenue (31 December 2022: 1.656.205).

As of 30 June 2023, the Group has 1.842.872 of retention payables to subcontractors (31 December 2022: 1.460.762). Also, the amount of retention receivables is 1.263.758 (31 December 2022: 955.055) (Note: 8).

#### 10. INVENTORIES

	30 June 2023	31 December 2022
Raw materials	1.001.279	1.646.871
Work in progress	1.320.625	1.901.283
Finished goods	239.268	499.969
Trading goods	668.147	1.046.002
Goods in transit	534.233	833.941
Inventory at construction sites	2.719.483	1.810.050
Other inventories	256.147	203.859
Allowance for impairment on inventory (-)	(3.503)	(11.102)
	<u>6.735.679</u>	<u>7.930.873</u>

As of 30 June 2023, there are no borrowing costs added to inventory (31 December 2022: None).

	2023	2022
<u>Movement of allowance for impairment of inventory</u>		
Provision as of 1 January	(11.102)	(11.073)
Provisions cancelled	7.599	7.023
Provision as of 30 June	<u>(3.503)</u>	<u>(4.050)</u>

All of impairment expense on inventory has been charged to cost of revenue (2022: All of reversal of impairment on inventory has been deducted from cost of revenue).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 11. INVESTMENTS VALUED BY EQUITY METHOD

Joint Ventures	Location of foundation and operation	30 June 2023		31 December 2022		Power to appoint	Industry
		Participation Rate	Amount	Participation Rate	Amount		
Azfen	Azerbaijan	40%	1.446.101	40%	1.054.172	40%	Construction
			<u>1.446.101</u>		<u>1.054.172</u>		

Movements of Group's joint ventures during the period is as follows:

	2023	2022
Opening balance as of 1 January	1.054.172	95.625
Group's share on profit (loss)	(7.495)	18.128
Effect of the joint ventures sold	-	(14.373)
Currency translation effect	399.424	25.387
Closing balance as of 30 June	<u>1.446.101</u>	<u>124.767</u>

Group's share on profit (loss) of joint ventures is as follows:

	1 January- 30 June 2023	1 January - 30 June 2022
H-T Fidecilik(*)	-	161
Azfen	(7.495)	17.967
Shares on profit (loss) of joint ventures valued by equity method	<u>(7.495)</u>	<u>18.128</u>

(\*) Shares of H-T Fidecilik were sold on 19 April 2022.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 11. INVESTMENTS VALUED BY EQUITY METHOD (cont'd)

##### Information related to balance sheet:

<u>Azfen</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
Cash and cash equivalents	2.515.322	1.780.287
Other current assets	1.441.992	1.463.307
Non-current assets	337.022	285.963
<b>Total Assets</b>	<b>4.294.336</b>	<b>3.529.557</b>
Other short-term liabilities	679.084	894.120
Other long-term liabilities	-	7
<b>Total Liabilities</b>	<b>679.084</b>	<b>894.127</b>
<b>Net Assets</b>	<b>3.615.252</b>	<b>2.635.430</b>
Group's Ownership Rate	40%	40%
<b>Group's Share on Net Assets</b>	<b>1.446.101</b>	<b>1.054.172</b>

##### Information related to statement of profit or loss:

<u>1 January - 30 June 2023</u>	<u>H-T Fidencilik</u>	<u>Azfen</u>	<u>Total</u>
Revenue	-	1.303.540	1.303.540
Depreciation and amortization expense (-)	-	(34.222)	(34.222)
Operating profit	-	(18.679)	(18.679)
Tax expense (-)	-	(58)	(58)
<b>Profit (loss) for the Period</b>	<b>-</b>	<b>(18.737)</b>	<b>(18.737)</b>
Group's Ownership Rate	50%	40%	
<b>Group's Share on Profit (Loss) for the Period</b>	<b>-</b>	<b>(7.495)</b>	<b>(7.495)</b>
<u>1 April - 30 June 2023</u>	<u>H-T Fidencilik</u>	<u>Azfen</u>	<u>Total</u>
Revenue	-	678.932	678.932
Depreciation and amortization expense (-)	-	(23.101)	(23.101)
Operating profit	-	(145.007)	(145.007)
Tax expense (-)	-	25.212	25.212
<b>Profit (loss) for the Period</b>	<b>-</b>	<b>(119.795)</b>	<b>(119.795)</b>
Group's Ownership Rate	50%	40%	
<b>Group's Share on Profit (Loss) for the Period</b>	<b>-</b>	<b>(47.918)</b>	<b>(47.918)</b>

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 11. INVESTMENTS VALUED BY EQUITY METHOD (cont'd)

##### Information related to statement of profit or loss (cont'd):

1 January - 30 June 2022	H-T		Total
	Fidencilik(*)	Azfen	
Revenue	22.430	1.332.493	1.354.923
Depreciation and amortization expense (-)	(782)	(37.336)	(38.118)
Operating profit	2.461	172.537	174.998
Financial income	87	-	87
Financial expense (-)	(2.195)	-	(2.195)
Tax expense	(30)	(127.619)	(127.649)
Profit for the Period	322	44.917	45.239
Group's Ownership Rate	50%	40%	
Group's Share on Profit for the Period	161	17.967	18.128

  

1 April - 30 June 2022	H-T		Total
	Fidencilik(*)	Azfen	
Revenue	-	435.375	435.375
Depreciation and amortization expense (-)	-	(15.082)	(15.082)
Operating profit	-	85.338	85.338
Tax expense (-)	-	(127.619)	(127.619)
Profit (loss) for the Period	-	(42.282)	(42.282)
Group's Ownership Rate	50%	40%	
Group's Share on Profit (Loss) for the Period	-	(16.913)	(16.913)

(\*) Shares of H-T Fidencilik were sold on 19 April 2022.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS

##### (a) Property, Plant and Equipment, Other Intangible Assets, Investment Property and Right-of-use Assets

	Property, Plant and Equipment	Other Intangible Assets	Investment Property	Right-of-use assets
<b>Cost Value</b>				
Opening balance as of 1 January 2023	12.206.868	296.102	281.995	152.197
Currency translation effect	3.319.156	90.523	54.754	220.738
Additions	533.994	1.504	4.443	156.136
Disposals	(207.200)	(43)	-	(13.271)
Closing balance as of 30 June 2023	15.852.818	388.086	341.192	515.800
<b>Accumulated Depreciation and Amortization</b>				
Opening balance as of 1 January 2023	(7.751.855)	(237.890)	(51.262)	(46.178)
Currency translation effect	(2.497.833)	(81.652)	(169)	(53.519)
Charge for the period	(269.382)	(5.465)	(2.268)	(70.168)
Disposals	202.653	38	-	12.890
Closing balance as of 30 June 2023	(10.316.417)	(324.969)	(53.699)	(156.975)
Carrying value as of 30 June 2023	5.536.401	63.117	287.493	358.825
<b>Cost Value</b>				
Opening balance as of 1 January 2022	9.353.059	219.337	209.406	124.428
Currency translation effect	1.797.285	46.584	28.590	29.634
Additions	391.928	2.168	1.924	4.669
Disposals	(69.335)	(255)	(578)	(14.551)
Transfers	(2.291)	2.291	-	-
Closing balance as of 30 June 2022	11.470.646	270.125	239.342	144.180
<b>Accumulated Depreciation and Amortization</b>				
Opening balance as of 1 January 2022	(5.911.534)	(164.325)	(41.382)	(62.234)
Currency translation effect	(1.362.372)	(41.034)	(654)	(22.298)
Charge for the period	(242.056)	(5.568)	(1.399)	(24.121)
Disposals	62.010	181	30	14.551
Closing balance as of 30 June 2022	(7.453.952)	(210.746)	(43.405)	(94.102)
Carrying value as of 30 June 2022	4.016.694	59.379	195.937	50.078

The fair value of the Group’s investment property has been determined based on a valuation carried out by independent experts which have no relation to the Group and are accredited by Capital Markets Board. Valuation work has been concluded based on fair value of similar properties. The fair value of the investment properties as of 30 June 2023 is 2.067.770 (30 June 2022: 1.324.974) according to the valuation carried out by independent experts. There are not any restrictions on the realizability of investment property or any remittances of income and proceeds of disposal.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS (cont’d)

##### (b) Goodwill

<b>Subsidiaries Acquired</b>	<b>Nature of Business</b>	<b>Date of Acquisition</b>	<b>Ratio of Shares Acquired</b>	<b>Acquisition Price</b>	<b>Goodwill</b>
Denkmal in Dahlem Otto-Hahn-Platz GmbH	Engineering & Contracting	30 July 2019	80%	147.306	62.754
Toros Gönen Yenilenebilir Enerji Üretim A.Ş.	Agricultural Industry	31 July 2019	70%	42.946	41.608
Toros Meram Yenilenebilir Enerji Üretim A.Ş.	Agricultural Industry	14 February 2020	99,9%	24.814	21.352
				<b>215.066</b>	<b>125.714</b>

Breakdown of the acquisition price is as follows:

	<b>Denkmal Dahlem</b>	<b>Gönen Enerji</b>	<b>Meram Enerji</b>	<b>Total</b>
Paid in cash	147.306	42.946	24.814	215.066
<b>Acquisition price</b>	<b>147.306</b>	<b>42.946</b>	<b>24.814</b>	<b>215.066</b>

The main items related to assets acquired and liabilities undertaken at the acquisition dates are as follows:

	<b>Denkmal Dahlem</b>	<b>Gönen Enerji</b>	<b>Meram Enerji</b>	<b>Total</b>
<b>Current assets</b>	<b>775.502</b>	<b>19.361</b>	<b>20.264</b>	<b>815.127</b>
Cash and cash equivalents	3.322	12.132	3.043	18.497
Other current assets	772.180	7.229	17.221	796.630
<b>Non-current assets</b>	<b>9.206</b>	<b>42.252</b>	<b>12.898</b>	<b>64.356</b>
Tangible and intangible assets	9.206	40.268	12.784	62.258
Other non-current assets	-	1.984	114	2.098
<b>Current liabilities</b>	<b>282.666</b>	<b>27.746</b>	<b>29.697</b>	<b>340.109</b>
<b>Non-current liabilities</b>	<b>396.352</b>	<b>31.956</b>	<b>-</b>	<b>428.308</b>
<b>Net assets</b>	<b>105.690</b>	<b>1.911</b>	<b>3.465</b>	<b>111.066</b>

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS (cont'd)

##### (b) Goodwill (cont'd)

As a result of the acquisitions, the Group obtained control of the companies so that goodwill arisen. The goodwill arising from the acquisitions is as follows:

	<u>Denkmal Dahlem</u>	<u>Gönen Enerji</u>	<u>Meram Enerji</u>	<u>Total</u>
Acquisition price	147.306	42.946	24.814	215.066
Non-controlling interest	21.138	573	3	21.714
Less: Fair value of net assets of the acquired company	(105.690)	(1.911)	(3.465)	(111.066)
<b>Goodwill</b>	<b>62.754</b>	<b>41.608</b>	<b>21.352</b>	<b>125.714</b>

Group has calculated recoverable amount of "Goodwill" and no impairment has been determined for the period ending 30 June 2023 (30 June 2022: None). The discounted cash flow method has been used in calculating the recoverable amounts of the cash generating units to which the goodwill is distributed, and the cash flows expected to be obtained in the future are discounted to the present using appropriate discount factors.

Net cash outflow concerning the acquisitions is as follows:

	<u>Denkmal Dahlem</u>	<u>Gönen Enerji</u>	<u>Meram Enerji</u>	<u>Total</u>
Paid in cash	147.306	42.946	24.814	215.066
Less: Cash and cash equivalents of the acquired company	(3.322)	(12.132)	(3.043)	(18.497)
<b>Net cash outflow</b>	<b>143.984</b>	<b>30.814</b>	<b>21.771</b>	<b>196.569</b>

Movement of Goodwill is as follows:

	<u>Denkmal Dahlem</u>	<u>Gönen Enerji</u>	<u>Meram Enerji</u>	<u>Total</u>
Opening balance as of 1 January 2023	44.435	41.608	21.352	107.395
Currency translation effect	18.319	-	-	18.319
<b>Closing balance as of 30 June 2023</b>	<b>62.754</b>	<b>41.608</b>	<b>21.352</b>	<b>125.714</b>
Opening balance as of 1 January 2022	32.727	41.608	21.352	95.687
Currency translation effect	6.330	-	-	6.330
<b>Closing balance as of 30 June 2022</b>	<b>39.057</b>	<b>41.608</b>	<b>21.352</b>	<b>102.017</b>

Translated into English from the report originally issued in Turkish.



## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 13. SHORT AND LONG-TERM BORROWINGS

The Company’s bank loans are reclassified as long-term whose maturities passed 30 June 2024 according to their opening dates. Annual weighted average interest rate of the existing short-term loans is 8,79% for USD, 3,62% for EUR, 16,67% for TL and 7,50% for QAR (31 December 2022: 5,65% for USD, 2,77% for EUR, 15,03% for TL and 6,50% QAR). Annual weighted average interest rate of the existing long-term loans is 7,50% for USD, 2,65% for EUR, and 10,19% for TL (31 December 2022: 6,65% for USD, EUR 2,65%, TL 10,19%).

Within the scope of TFRS 16 Leases standard implementation, lease liabilities of 366.934 and 39.060 in the aggregate 405.994 included in short-term and long-term borrowings respectively (31 December 2022: 89.171 short-term, 21.364 long-term, in the aggregate 110.535).

#### 14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	30 June 2023	31 December 2022
Short-term provisions	1.077.342	678.634
Long-term provisions	554.461	491.372
<b>Total provisions</b>	<b>1.631.803</b>	<b>1.170.006</b>
Employment termination benefits provision	479.799	488.888
Unused vacation pay liability provision	190.986	124.724
Premium provision	158.044	144.910
<b>Total provisions attributable to employee benefits</b>	<b>828.829</b>	<b>758.522</b>
Provision for litigation	33.200	27.429
Other liability provisions	769.774	384.055
Other provisions	802.974	411.484
<b>Total provisions</b>	<b>1.631.803</b>	<b>1.170.006</b>

	Employment Termination Benefits Provision	Unused Vacation Pay Liability Provision	Premium Provision	Total Provisions Attributable to Employee Benefits
Opening balance as of 1 January 2023	488.888	124.724	144.910	758.522
Currency translation effect	73.936	40.181	34.341	148.458
Charge for the period	36.296	63.360	95.191	194.847
Interest expense	10.963	-	-	10.963
Provision paid during the period	(118.169)	(37.120)	(47.153)	(202.442)
Provision released	-	(159)	(69.245)	(69.404)
Actuarial gain	(12.115)	-	-	(12.115)
<b>Closing balance as of 30 June 2023</b>	<b>479.799</b>	<b>190.986</b>	<b>158.044</b>	<b>828.829</b>
Opening balance as of 1 January 2022	305.418	113.553	129.780	548.751
Currency translation effect	45.877	21.839	21.408	89.124
Charge for the period	59.134	25.052	51.630	135.816
Interest expense	2.700	-	-	2.700
Provision paid during the period	(49.837)	(36.979)	(29.455)	(116.271)
Provision released	(1.658)	(2.080)	(62.186)	(65.924)
Actuarial loss	509	-	-	509
<b>Closing balance as of 30 June 2022</b>	<b>362.143</b>	<b>121.385</b>	<b>111.177</b>	<b>594.705</b>

Termination benefit pay calculated as of 30 June 2023 is subject to upper limit of 23.489,83 Turkish Lira (31 December 2022: 19.982,83 Turkish Lira).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont’d)

	Provision for Litigation	Other Liability Provisions	Total Other Provisions
Opening balance as of 1 January 2023	27.429	384.055	411.484
Currency translation effect	5.665	203.168	208.833
Charge for the period	842	302.826	303.668
Provision paid during the period	(218)	-	(218)
Provision released	(518)	(120.275)	(120.793)
Closing balance as of 30 June 2023	<u>33.200</u>	<u>769.774</u>	<u>802.974</u>
Opening balance as of 1 January 2022	40.102	476.792	516.894
Currency translation effect	2.713	123.188	125.901
Charge for the period	1.179	113.132	114.311
Provision paid during the period	(717)	-	(717)
Provision released	(1.020)	(204.595)	(205.615)
Closing balance as of 30 June 2022	<u>42.257</u>	<u>508.517</u>	<u>550.774</u>

#### Litigations:

As of 30 June 2023, lawsuit filed against the Group is totally 1.172.779 (31 December 2022: 1.102.880) and it has been decided to accrue 33.200 (31 December 2022: 27.429) of provision for lawsuits that might have high probability of potential outflow from the Group upon the consultation of legal advisors. Based on the legal advice of lawyers, there is no risk of outflow of resources for cases which no provision is made for.

#### *Libya Arbitration Claim*

Within the context of the Group’s decision taken on 30 January 2015 to apply for International Arbitration with the aim of claiming all of its rights, receivables and assets connected with The Great Man-Made River Project, which was undertaken in Libya by Tekfen-TML Joint Venture (Tekfen TML J.V.), a joint venture of the Group with 67% participation rate, – that having been halted on 21 February 2011 owing to events taking place in the aforesaid country and the instability thus caused – the Group applied to the International Court of Arbitration of the International Chamber of Commerce (ICC) for commercial arbitration against the Great ManMade River Authority (MMRA) as the ‘employer’, and against the State of Libya. A statement on this subject was duly made in the Announcement of 18 June 2015. In the subsequent announcement of 12 October 2015, we have further reported that a second arbitration case has been filed at the ICC against the Libyan State on the basis of the Agreement on the Mutual Promotion and Protection of Investments (“AMPPI”) signed between the Libyan and Turkish States. The partial award handed down in relation to the contractual arbitration case filed with the ICC on the basis of this Agreement has been notified to the Tekfen TML J.V.

In this partial award, the Arbitration Tribunal has ruled that the MMRA falls within its jurisdiction, but that the State of Libya does not; that the MMRA should pay the Tekfen TML J.V. the sum of 40.499 Thousand USD (of which the Group’s share is 27.134 Thousand USD) as compensation; that the MMRA should pay the Tekfen TML J.V. the sum of 5.000 Thousand USD (of which the Group’s share is 3.350 Thousand USD) in respect of the Tekfen TML J.V.’s legal expenses; that the parties should be asked to submit additional petitions for the determination of the rates of interest to be charged with respect to the aforementioned figures; that all counterclaims of the defendant (the MMRA) should be dismissed with the exception of a minor one for 365 Thousand USD and that only this amount should be deducted from the sum awarded to the Tekfen TML J.V.; that it was necessary for the agreement between the Tekfen TML J.V. and the MMRA to be readjusted in accordance with the changed conditions now in force; and that provision for matters such as the mechanical equipment needed in order for the Tekfen TML J.V. to continue its work should be evaluated within the framework of the revisions to be requested.

Based on the the decision of the Arbitral Tribunal, the parties started negotiations to redefine the terms of the contract for the remainder of the case. However, no agreement was reached.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

##### Litigations (cont'd):

##### *Libya Arbitration Claim (cont'd)*

In accordance with the Memorandum of Understanding (MoU), which took effect on 13 August 2020 and 24 September 2020, for the settlement of the issues arising from the contracts of Turkish companies with the employer administrations in Libya between the Republic of Turkey and the Government of National Accord of the Libyan State, it is foreseen that the contractors will apply by letter to the Administrations within 90 days and start negotiations for the future of the projects. In this context, the employer MMRA has started to be more actively involved in the negotiations with the entry into force of the MoU. In this process, the Employer MMRA formed a four-person commission to discuss the terms of termination and Tekfen TML J.V.'s demands. The parties have agreed in principle to terminate the construction contract, provided that it does not prejudice their rights and demands in the arbitration process and that the agreed matters remain confidential, and it has been agreed to hold a meeting for the signing of the final agreement text.

Consequently, an agreement has been reached with the Employer MMRA to pay Tekfen TML J.V. a net sum of 35.408 Thousand USD. From the first part of this price, 12.678 Thousand USD, in the second arbitration, the remaining 9.013 Thousand USD was collected after deducting the amount Tekfen TML J.V. was decided to pay to Libya. An agreement has been reached to pay the remaining unsecured receivable in the amount of 22.730 Thousand USD in four installments of different amounts until 31.12.2025.

#### 15. COMMITMENTS

The guarantee, pledge and mortgage ("GPMB") position tables of the Group as of 30 June 2023 and 31 December 2022 are as follows:

30 June 2023	Equivalent of Thousands TL	<i>Thousands of US Dollars</i>	<i>Thousands of EUR</i>	<i>Other (Equivalent of Thousands TL)</i>
A. CPMB given on behalf of its own legal entity	2.098	-	-	2.098
-Collateral	2.098	-	-	2.098
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
-Bill of Collateral	-	-	-	-
B. CPMB given on behalf of subsidiaries that are included in full consolidation	40.925.256	1.046.530	77.830	11.709.370
-Collateral	15.116.807	349.808	77.827	3.892.539
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
-Bill of Collateral	25.808.449	696.722	3	7.816.831
C. CPMB given in order to Collateral third parties' debts for the routine trade operations	4.033	-	-	4.033
-Collateral	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
-Bill of Collateral	4.033	-	-	4.033
D. Total amounts of other CPMB given	-	-	-	-
i. Total amount of CPMB given on behalf of parent company	-	-	-	-
ii. Total amount of CPMB given on behalf of other group companies that are not included group B and C	-	-	-	-
iii. Total amount of CPMB given on behalf of third parties that are not included group C	-	-	-	-
<b>Total as of 30 June 2023</b>	<b>40.931.387</b>	<b>1.046.530</b>	<b>77.830</b>	<b>11.715.501</b>

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 15. COMMITMENTS (cont'd)

31 December 2022	Equivalent of Thousands TL	<i>Thousands of US Dollars</i>	<i>Thousands of EUR</i>	<i>Other (Equivalent of Thousands TL)</i>
A. CPMB given on behalf of its own legal entity	2.098	-	-	2.098
-Collateral	2.098	-	-	2.098
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
-Bill of Collateral	-	-	-	-
B. CPMB given on behalf of subsidiaries that are included in full consolidation	31.826.725	1.173.534	70.214	8.483.925
-Collateral	10.683.395	345.581	70.199	2.822.204
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
-Bill of Collateral	21.143.330	827.953	15	5.661.721
C. CPMB given in order to Collateral third parties' debts for the routine trade operations	4.800	-	-	4.800
-Collateral	767	-	-	767
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
-Bill of Collateral	4.033	-	-	4.033
D. Total amounts of other CPMB given	-	-	-	-
i. Total amount of CPMB given on behalf of parent company	-	-	-	-
ii. Total amount of CPMB given on behalf of other group companies that are not included group B and C	-	-	-	-
iii. Total amount of CPMB given on behalf of third parties that are not included group C	-	-	-	-
<b>Total as of 31 December 2022</b>	<b>31.833.623</b>	<b>1.173.534</b>	<b>70.214</b>	<b>8.490.823</b>

Since there are not any GPMBs mentioned under D item, the ratio to the total equity is not presented.

#### 16. SIGNIFICANT RELATED PARTY TRANSACTIONS

According to TAS 24, the shareholders of the Company, Group companies and their subsidiaries, management and other related parties are classified as related parties.

Transactions with related parties are distinct and measurable. Transactions with related parties during the six month interim period ended 30 June 2023 consist of sales of goods and services amounting 11.721 (30 June 2022: 23.534), dividend income amounting 40.647 (30 June 2022: 12.420) and other net expenses amounting 115 (30 June 2022: 120 net other expenses). The remuneration of key management during the period is 35.025 (30 June 2022: 21.849).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 17. EQUITY

##### Capital / Capital Structure Adjustment

The capital structure as of 30 June 2023 and 31 December 2022 is as follows:

Shareholders	(%)	30 June 2023	(%)	31 December 2022
Berker family	23,55%	87.122	23,55%	87.122
Gökyiğit family	20,06%	74.233	20,06%	74.233
Akçağlılar family	6,65%	24.611	6,65%	24.611
Publicly traded	49,74%	184.034	49,74%	184.034
Paid in capital	100%	370.000	100%	370.000
Capital structure adjustment		3.475		3.475
Restated capital		<u>373.475</u>		<u>373.475</u>

#### 18. EARNINGS PER SHARE

	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
Average number of ordinary shares outstanding during the period (in full)	370.000.000	370.000.000	370.000.000	370.000.000
Net profit for the period attributable to owners of the parent (Thousands TL)	136.830	496.321	1.077.608	972.173
Earnings per share from continuing operations (TL)	0,370	1,341	2,912	2,627

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 19. OTHER OPERATING INCOME AND EXPENSES

	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
<b>Other operating income</b>				
Foreign exchange income from operations	622.653	458.515	857.376	511.546
Hedging income (Note: 21)	108.135	99.642	363.735	188.145
Due date difference income	88.134	34.547	49.851	26.566
Rental income	22.031	11.244	38.135	19.633
Social security premium refund income	10.894	7.705	4.127	2.470
Discount income	9.758	4.164	54.267	32.336
Scrap sales income	3.617	2.516	2.246	1.239
Indemnity income	1.622	1.081	6.175	6.085
Government grants and incentives income	1.422	539	2.419	1.492
Reversal of litigation provision (Note: 14)	518	159	1.020	973
Other income	38.516	13.560	22.870	9.572
	<b>907.300</b>	<b>633.672</b>	<b>1.402.221</b>	<b>800.057</b>
	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
<b>Other operating expenses (-)</b>				
Foreign exchange losses from operations	(1.737.254)	(1.475.166)	(1.731.363)	(984.540)
Hedging expenses (Note: 21)	(305.410)	(84.702)	(1.464)	(1.464)
Due date difference expenses	(26.861)	(5.600)	(4.007)	(4.007)
Discount expenses	(22.797)	(8.459)	(58.356)	(33.684)
Grants and contributions	(7.798)	(6.650)	(1.236)	(958)
Litigation provision (Note: 14)	(842)	(451)	(1.179)	(645)
Penalty and damages expenses	(300)	(175)	(1.357)	(1.216)
Other expenses	(18.313)	(11.500)	(10.501)	2.470
	<b>(2.119.575)</b>	<b>(1.592.703)</b>	<b>(1.809.463)</b>	<b>(1.024.044)</b>

#### 20. FINANCIAL INCOME AND EXPENSES

	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
<b>Financial income</b>				
Foreign exchange gains	517.487	478.666	1.018.776	338.762
Interest income	68.411	41.514	66.131	35.588
Currency translation reserve gains	39.447	36.262	31.473	11.606
Other financial income	41.954	(23.074)	226	42
	<b>667.299</b>	<b>533.368</b>	<b>1.116.606</b>	<b>385.998</b>
	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
<b>Financial expenses (-)</b>				
Foreign exchange losses	(376.889)	(356.168)	(434.283)	(30.149)
Interest expenses	(217.874)	(116.305)	(168.417)	(99.328)
Bank commission expenses	(77.514)	(60.964)	(17.245)	(12.229)
Currency translation reserve losses	(850)	7.419	(7.536)	(2.857)
Swap expense accrual (Note: 21)	-	-	(99.027)	(56.307)
Other financial expenses	(5.288)	(4.710)	(8.222)	(6.023)
	<b>(678.415)</b>	<b>(530.728)</b>	<b>(734.730)</b>	<b>(206.893)</b>

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 21. DERIVATIVE INSTRUMENTS

	30 June 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	290.820	17.308	8.528	353.686
Current	290.820	17.308	8.528	353.686
	<u>290.820</u>	<u>17.308</u>	<u>8.528</u>	<u>353.686</u>

#### Currency derivatives:

The subsidiary of the Group, Toros Tarım utilizes currency derivatives to hedge significant future transactions and cash flows. Toros Tarım is party to a variety of foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Toros Tarım's principal markets.

As of balance sheet date, the total notional amount of outstanding forward foreign exchange contracts to which Toros Tarım is committed are as follows:

	30 June 2023	31 December 2022
Forward foreign exchange contracts	2.377.155	4.913.599
	<u>2.377.155</u>	<u>4.913.599</u>

As of 30 June 2023, the fair value of the Toros Tarım's currency derivatives is estimated to be 290.820 assets and 17.308 liabilities which is positive 273.512 (31 December 2022: assets 8.528, liabilities 353.686, negative 345.158). These amounts are based on quoted market prices for equivalent instruments at the balance sheet date and fair value hierarchy classification of derivative instruments is Level 2 (31 December 2022: Level 2). There have been no changes in the purpose or use of derivative instruments.

The fair value of currency derivatives that are designated and effective as cash flow hedges amounting to positive 218.768 has been deferred in equity, there is not any ineffective foreign currency derivative transactions during the period. (31 December 2022: Effective negative 276.075, 30 June 2022: effective positive 179.923). Gains amounting to 108.135 and expenses amounting to 305.410 concerning matured derivative contracts during the period have been recognized in profit or loss (30 June 2022: Gains amounting to 363.735 and losses amounting to 1.464 concerning matured derivative contracts during the period have been recognized in profit or loss).

#### Swap transactions:

Tekfen İnşaat performed currency swap transactions to hedge significant future transactions and cash flows from financial risk. As of 30 June 2023, Tekfen İnşaat has no cross currency swap transactions (31 December 2022: None). As of 30 June 2023, there is not any gain or loss recognized in profit or loss related to swap transactions (30 June 2022: 99.027 loss).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 22. FOREIGN CURRENCY POSITION

30 June 2023	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	3.114.052	102.625	3.542	-	364.235
2. Monetary Financial Assets	3.592.831	128.694	1.855	11	216.966
3. Other	629.469	11.554	10.549	-	34.112
4. CURRENT ASSETS	7.336.352	242.873	15.946	11	615.313
5. Trade Receivables	300.603	-	4.297	-	179.625
6. Monetary Financial Assets	1.139	-	-	-	1.139
7. Other	55.544	1.741	376	-	-
8. NON-CURRENT ASSETS	357.286	1.741	4.673	-	180.764
9. TOTAL ASSETS	7.693.638	244.614	20.619	11	796.077
10. Trade Payables	4.530.442	150.531	10.487	114	344.274
11. Financial Liabilities	961.848	26.847	6.609	-	82.505
12. Monetary Other Liabilities	1.639.724	25.009	25.850	-	266.133
12b. Non-Monetary Other Liabilities	107.778	3.815	329	-	-
13. CURRENT LIABILITIES	7.239.792	206.202	43.275	114	692.912
14. Trade Payables	5.322	120	12	-	1.885
15. Financial Liabilities	337.876	-	12.001	-	-
16. Monetary Other Liabilities	130.433	527	-	-	116.824
17. NON-CURRENT LIABILITIES	473.631	647	12.013	-	118.709
18. TOTAL LIABILITIES	7.713.423	206.849	55.288	114	811.621
19. Net Position of Off-balance Sheet Derivative Instruments (19a-19b)	2.626.958	101.729	-	-	-
19a. Derivative Assets	2.626.958	101.729	-	-	-
19b. Derivative Liabilities	-	-	-	-	-
20. Net Foreign Currency Assets / Liabilities Position	2.607.173	139.494	(34.669)	(103)	(15.544)
21. Monetary Items Net Foreign Currency Assets / Liabilities position (1+2+5+6-10-11-12-14-15-16)	(597.020)	28.285	(45.265)	(103)	(49.656)
22. Fair Value of Derivative Instruments Held for Hedging	273.512	10.592	-	-	-

Translated into English from the report originally issued in Turkish.



## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 22. FOREIGN CURRENCY POSITION (cont’d)

31 December 2022	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	2.056.523	75.142	6.131	-	529.274
2. Monetary Financial Assets	3.343.670	167.562	3.058	12	149.315
3. Other	291.392	5.245	6.825	-	57.264
<b>4. CURRENT ASSETS</b>	<b>5.691.585</b>	<b>247.949</b>	<b>16.014</b>	<b>12</b>	<b>735.853</b>
5. Trade Receivables	228.502	47	3.712	-	153.625
6. Monetary Financial Assets	920	-	-	-	920
7. Other	33.035	1.335	404	-	19
<b>8. NON-CURRENT ASSETS</b>	<b>262.457</b>	<b>1.382</b>	<b>4.116</b>	<b>-</b>	<b>154.564</b>
<b>9. TOTAL ASSETS</b>	<b>5.954.042</b>	<b>249.331</b>	<b>20.130</b>	<b>12</b>	<b>890.417</b>
10. Trade Payables	7.122.260	347.570	8.273	37	457.538
11. Financial Liabilities	209.476	-	4.112	-	127.504
12. Monetary Other Liabilities	1.317.434	27.267	25.878	-	291.712
12b. Non-Monetary Other Liabilities	12.721	498	171	-	-
<b>13. CURRENT LIABILITIES</b>	<b>8.661.891</b>	<b>375.335</b>	<b>38.434</b>	<b>37</b>	<b>876.754</b>
14. Trade Payables	3.343	84	12	-	1.533
15. Financial Liabilities	280.026	-	14.047	-	-
16. Monetary Other Liabilities	83.675	223	-	-	79.505
<b>17. NON-CURRENT LIABILITIES</b>	<b>367.044</b>	<b>307</b>	<b>14.059</b>	<b>-</b>	<b>81.038</b>
<b>18. TOTAL LIABILITIES</b>	<b>9.028.935</b>	<b>375.642</b>	<b>52.493</b>	<b>37</b>	<b>957.792</b>
19. Net Position of Off-balance Sheet Derivative Instruments (19a-19b)	4.514.405	241.434	-	-	-
19a. Derivative Assets	4.514.405	241.434	-	-	-
19b. Derivative Liabilities	-	-	-	-	-
20. Net Foreign Currency Assets / Liabilities Position	1.439.512	115.123	(32.363)	(25)	(67.375)
21. Monetary Items Net Foreign Currency Assets / Liabilities position (1+2+5+6-10-11-12-14-15-16)	(3.386.599)	(132.393)	(39.421)	(25)	(124.658)
22. Fair Value of Derivative Instruments Held for Hedging	(345.158)	(18.459)	-	-	-

Translated into English from the report originally issued in Turkish.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 22. FOREIGN CURRENCY POSITION (cont’d)

##### Foreign currency sensitivity

The Group is exposed to foreign exchange risk primarily with respect to US Dollars and Euro.

The following table details the Group’s sensitivity to a 5% increase and decrease in foreign currency rates. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the six month interim period end for a 5% change in foreign currency rates. Positive number indicates an increase in profit or loss.

	30 June 2023	
	Profit / (Loss)	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars changes 5% against TL	
US Dollars net assets / liabilities	180.108	(180.108)
	If Euro changes 5% against TL	
Euro net assets / liabilities	(48.804)	48.804
	If other foreign currencies changes 5% against TL	
Other foreign currency assets / liabilities	(946)	946
TOTAL	130.358	(130.358)
	31 December 2022	
	Profit / (Loss)	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars change 5% against TL	
US Dollars net assets / liabilities	107.630	(107.630)
	If Euro changes 5% against TL	
Euro net assets / liabilities	(32.258)	32.258
	If other foreign currencies change 5% against TL	
Other foreign currency net assets / liabilities	(3.396)	3.396
TOTAL	71.976	(71.976)

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 23. FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on using prices from direct or indirect observable current market transactions.
- Level 3: The fair value of the financial assets and financial liabilities are determined where there is no observable market data.

Long-term financial investments and derivative instruments of the Group are measured at their fair values. Book values of other financial assets and liabilities approximate their fair values.

There are 1.810.342 KKM in short-term financial investments. The relevant amount is presented at fair value (31 December 2022: 1.596.161). The fair value hierarchy is shown as Level 2.

Except for the financial investments mentioned above, Eurobonds amounting to 220.973 were shown in short-term financial investments are classified as financial assets measured at amortized cost (31 December 2022: short-term financial investments 171.464).

The fair values of financial assets and liabilities are as follows:

	30 June 2023	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
<b>Financial instruments</b>				
Fair value through other comprehensive income financial investments	1.281.027	312.333	-	968.694
Fair value through profit or loss financial investments	1.589.342	25.060	-	1.564.282
Derivative instruments	290.820	-	290.820	-
<b>Total</b>	<b>3.161.189</b>	<b>337.393</b>	<b>290.820</b>	<b>2.532.976</b>
<b>Financial liabilities</b>				
Derivative instruments	17.308	-	17.308	-
<b>Total</b>	<b>17.308</b>	<b>-</b>	<b>17.308</b>	<b>-</b>
	31 December 2022	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
<b>Financial instruments</b>				
Fair value through other comprehensive income financial investments	1.038.530	324.926	-	713.604
Fair value through profit or loss financial investments	1.024.408	10.669	-	1.013.739
Derivative instruments	8.528	-	8.528	-
<b>Total</b>	<b>2.071.466</b>	<b>335.595</b>	<b>8.528</b>	<b>1.727.343</b>
<b>Financial liabilities</b>				
Derivative instruments	353.686	-	353.686	-
<b>Total</b>	<b>353.686</b>	<b>-</b>	<b>353.686</b>	<b>-</b>

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 23. FINANCIAL INSTRUMENTS (cont'd)

Changes of financial investments measured at their fair values during the period are as follows:

	Fair value through profit or loss financial investments		Fair value through other comprehensive income financial investments		Total
	Level 1	Level 3	Level 1	Level 3	
Opening balance as at 1 January 2023	10.669	1.013.739	324.926	713.604	2.062.938
Additions	-	4.955	-	-	4.955
Fair value increase (decrease)	9.814	121.131	(12.593)	(8.821)	109.531
Disposals	(1.881)	-	-	-	(1.881)
Currency translation effect	6.458	424.457	-	263.911	694.826
Closing balance as at 30 June 2023	25.060	1.564.282	312.333	968.694	2.870.369

	Fair value through profit or loss financial investments		Fair value through other comprehensive income financial investments		Total
	Level 1	Level 3	Level 1	Level 3	
Opening balance as at 1 January 2022	78.885	713.301	170.857	903.242	1.866.285
Transfers	12.447	(12.447)	-	-	-
Additions	-	71.694	-	12.398	84.092
Fair value increase (decrease)	(90.148)	(9.042)	2.892	(4.450)	(100.748)
Currency translation effect	14.824	207.124	-	255.924	477.872
Closing balance as at 30 June 2022	16.008	970.630	173.749	1.167.114	2.327.501

The following methods have been used in measuring the fair values of the significant financial investment of the Group, those fair value level are determined to be Level 3:

#### Non-traded fair value through other comprehensive income financial investments

##### *SOCAR Polymer Investments LLC*

<i>Valuation Method</i>	<i>30 June 2023 Fair Value</i>	<i>Unobservable Inputs</i>	<i>Relation Between Unobservable Inputs and Fair Value Measurement</i>
Income Approach, Discounted Cash Flow	806.851	Weighted average cost of capital ratio: 13,2%	If the weighted average cost of capital ratio is increased to 14,2%, the estimated fair value decreases by 97.505; If it is decreased to 12,2%, the estimated fair value increases by 116.132.
<i>Valuation Method</i>	<i>31 December 2022 Fair Value</i>	<i>Unobservable Inputs</i>	<i>Relation Between Unobservable Inputs and Fair Value Measurement</i>
Income Approach, Discounted Cash Flow	584.234	Weighted average cost of capital ratio: 13,2%	If the weighted average cost of capital ratio is increased to 14,2%, the estimated fair value decreases by 70.603; If it is decreased to 12,2%, the estimated fair value increases by 84.090.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 23. FINANCIAL INSTRUMENTS (cont'd)

##### Non-traded fair value through profit or loss financial investments (cont'd)

##### ***Berlin Light JV S.a.r.l and Cording Dortmund Hiltropwall SCSp***

Discounted cash flow and adjusted equity methods have been used in the fair value measurements of the related financial investments, and the cash flows expected to be obtained in the future are discounted to the present by using appropriate discount factors and the shareholders' equity is adjusted according to the discounted amounts.

##### Non-traded fair value through profit or loss financial investments

<i>Industry</i>	<i>Valuation Method</i>	<i>30 June 2023 Fair Value</i>	<i>Unobservable Inputs</i>	<i>Relation Between Unobservable Inputs and Fair Value Measurement</i>
<i>Contracting</i>	Equivalent value	127.058	Valuation multiplier : 1,16 - 3,51	If the average valuation multiplier is increased by 10%, the estimated fair value increases by 23.035, in case of a 10% decrease, the estimated fair value decreases by 23.035.
	Held at cost	103.292	Valuation multiplier : 1,00	
<i>Agriculture</i>	Equivalent value	1.129.856	Valuation multiplier : 2,21 - 2,46	If the average valuation multiplier is increased by 10%, the estimated fair value increases by 112.986, in case of a 10% decrease, the estimated fair value decreases by 112.986.
<i>Other</i>	Equivalent value	204.076	Valuation multiplier : 0,58 - 2,94	If the average valuation multiplier is increased by 10%, the estimated fair value increases by 20.408, in case of a 10% decrease, the estimated fair value decreases by 20.408.

<i>Industry</i>	<i>Valuation Method</i>	<i>31 December 2022 Fair Value</i>	<i>Unobservable Inputs</i>	<i>Relation Between Unobservable Inputs and Fair Value Measurement</i>
<i>Contracting</i>	Equivalent value	92.012	Valuation multiplier: 1,16 - 3,51	If the average valuation multiplier is increased by 10%, the estimated fair value increases by 16.681, in case of a 10% decrease, the estimated fair value decreases by 16.681.
	Held at cost	74.793	Valuation multiplier: 1,00	
<i>Agriculture</i>	Equivalent value	692.562	Valuation multiplier: 1,11 - 2,25	If the average valuation multiplier is increased by 10%, the estimated fair value increases by 69.256, in case of a 10% decrease, the estimated fair value decreases by 69.256.
<i>Other</i>	Equivalent value	154.372	Valuation multiplier: 0,48 - 2,94	If the average valuation multiplier is increased by 10%, the estimated fair value increases by 15.437, in case of a 10% decrease, the estimated fair value decreases by 15.437.

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

#### 23. FINANCIAL INSTRUMENTS (cont'd)

##### Non-traded fair value through profit or loss financial investments (cont'd)

Industrial distribution of the fair value movement of non-traded fair value through profit or loss financial investments is as follows:

	Fair value through profit or loss financial investments (Level 3)			
	Contracting	Agriculture	Other	Total
Opening balance as at 1 January 2023	166.805	692.562	154.372	1.013.739
Additions	-	-	4.955	4.955
Fair value change	-	133.103	(11.972)	121.131
Currency translation effect	63.545	304.191	56.721	424.457
Closing balance as at 30 June 2023	<u>230.350</u>	<u>1.129.856</u>	<u>204.076</u>	<u>1.564.282</u>
	Contracting	Agriculture	Other	Total
Opening balance as at 1 January 2022	103.822	402.346	207.133	713.301
Transfers (Level 1)	-	-	(12.447)	(12.447)
Additions	29.667	34.611	7.416	71.694
Fair value change	8.053	5.401	(22.496)	(9.042)
Currency translation effect	34.201	119.402	53.521	207.124
Closing balance as at 30 June 2022	<u>175.743</u>	<u>561.760</u>	<u>233.127</u>	<u>970.630</u>

#### 24. SUBSEQUENT EVENTS

Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6.2.2023 and Amendments to Some Laws and the Decree Law No. 375", which includes the regulation on increase in corporate tax rate from %20 to %25 for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249. With the same article (article 21) of the aforementioned law, it is ensured that the corporate tax rate, which was applied with a reduction by 1% to the earnings of the exporting companies exclusively from exports, is applied with a reduction by 5% in order to promote export.

This amendment will be effective for the earnings of the corporations in 2023 and for the following tax periods, starting from the declarations that must be submitted after 1 October 2023. It will be effective in the tax calculation of the profits of the institutions subject to the special accounting period, obtained in the special accounting period starting in the 2023 calendar year and in the following taxation periods.

This matter is considered as a non-adjusting event after the reporting period within the scope of TAS 10 "Events After the Reporting Period" and if the company's first six months period tax was calculated over the new rate, it is estimated that the period tax expense would be 18.572 more.

264.433 of the 1.535.416 trade receivables from a single customer specified in Note 8 have been collected after the balance sheet date.