

**TEKFEN HOLDİNG ANONİM ŐİRKETİ  
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTH  
INTERIM PERIOD  
ENDED 30 JUNE 2024 TOGETHER  
WITH REVIEW REPORT

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

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

| ASSETS  | Notes | Reviewed                 | (Restated)<br>Audited    |
|---|-------|--------------------------|--------------------------|
|   |       | 30 June<br>2024          | 31 December<br>2023      |
| <b>Current Assets</b>                                   |       | <b>26.532.336</b>        | <b>34.189.258</b>        |
| Cash and cash equivalents                               | 7     | 6.605.269                | 8.223.698                |
| Financial investments                                   | 4     | 16.697                   | 1.372.014                |
| Trade receivables                                       | 8     | 5.808.913                | 7.478.538                |
| - Related party receivables                             |       | 150.952                  | 74.554                   |
| - Trade receivables                                     |       | 5.657.961                | 7.403.984                |
| Other receivables                                       |       | 197.040                  | 217.204                  |
| - Other receivables                                     |       | 197.040                  | 217.204                  |
| Contract assets arising from ongoing construction works | 9     | 1.791.126                | 1.349.162                |
| Derivative instruments                                  | 21    | -                        | 44.919                   |
| Inventories   | 10    | 9.193.648                | 12.322.701               |
| Prepaid expenses  |       | 1.587.452                | 1.346.992                |
| - Prepaid expenses                                      |       | 1.587.452                | 1.346.992                |
| Assets related to current tax                           |       | 198.515                  | 584.137                  |
| Other current assets                                    |       | 1.046.803                | 1.092.693                |
| - Other current assets                                  |       | 1.046.803                | 1.092.693                |
|   |       | <u>26.445.463</u>        | <u>34.032.058</u>        |
| Assets classified as held for sale                      |       | 86.873                   | 157.200                  |
| <b>Non-Current Assets</b>                               |       | <b>31.405.026</b>        | <b>31.605.199</b>        |
| Financial investments                                   | 4,23  | 3.960.036                | 3.899.289                |
| Trade receivables                                       | 8     | 1.118.405                | 1.245.315                |
| - Trade receivables                                     |       | 1.118.405                | 1.245.315                |
| Other receivables                                       |       | 127.517                  | 141.750                  |
| - Other receivables                                     |       | 127.517                  | 141.750                  |
| Investments valued by equity method                     | 11    | 1.866.955                | 2.159.339                |
| Investment property                                     | 12    | 1.930.170                | 2.017.602                |
| Property, plant and equipment                           | 12    | 19.017.143               | 19.272.449               |
| Right-of-use assets                                     | 12    | 436.204                  | 503.989                  |
| Intangible assets                                       | 12    | 892.554                  | 486.081                  |
| - Goodwill  |       | 727.307                  | 300.111                  |
| - Other intangible assets                               |       | 165.247                  | 185.970                  |
| Prepaid expenses  |       | 104.766                  | 78.838                   |
| - Prepaid expenses                                      |       | 104.766                  | 78.838                   |
| Deferred tax assets                                     |       | 1.801.071                | 1.647.920                |
| Other non-current assets                                |       | 150.205                  | 152.627                  |
| - Other non-current assets                              |       | 150.205                  | 152.627                  |
| <b>TOTAL ASSETS</b>                                     |       | <b><u>57.937.362</u></b> | <b><u>65.794.457</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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

|  |              | Reviewed<br>30 June<br>2024 | (Restated)<br>Audited<br>31 December<br>2023 |
|--|--------------|-----------------------------|--|
| <b>LIABILITIES</b>   | <b>Notes</b> |                             |  |
| <b>Current Liabilities</b>   |              | <b>26.158.464</b>           | <b>34.227.037</b>                            |
| Short-term borrowings  | 13           | 6.286.790                   | 8.377.202                                    |
| Short-term portion of long-term borrowings   |              | 738.852                     | 477.445                                      |
| Trade payables   | 8            | 10.545.227                  | 13.758.034                                   |
| - Related party payables   |              | 10.379                      | 113.547                                      |
| - Trade payables   |              | 10.534.848                  | 13.644.487                                   |
| Payables related to employee benefits  |              | 575.072                     | 496.149                                      |
| Other payables   |              | 528.775                     | 632.602                                      |
| - Related party payables   |              | 11.325                      | 14.628                                       |
| - Other payables   |              | 517.450                     | 617.974                                      |
| Contract liabilities arising from ongoing construction works                                     | 9            | 1.557.396                   | 1.901.694                                    |
| Derivative instruments   | 21           | 204.237                     | 84.496                                       |
| Deferred revenue   |              | 2.798.373                   | 3.923.704                                    |
| - Deferred revenue   |              | 2.798.373                   | 3.923.704                                    |
| Current tax liability  |              | 122.684                     | 781.605                                      |
| Short-term provisions  | 14           | 2.660.039                   | 3.750.840                                    |
| - Short-term provisions attributable to employee benefits  |              | 284.869                     | 370.122                                      |
| - Other short-term provisions  |              | 2.375.170                   | 3.380.718                                    |
| Other short-term liabilities   |              | 141.019                     | 43.266                                       |
| - Other short-term liabilities   |              | 141.019                     | 43.266                                       |
| <b>Non-Current Liabilities</b>   |              | <b>4.265.101</b>            | <b>4.086.239</b>                             |
| Long-term borrowings   | 13           | 2.744.463                   | 2.596.864                                    |
| Trade payables   | 8            | 139.032                     | 96.768                                       |
| - Trade payables   |              | 139.032                     | 96.768                                       |
| Other payables   |              | 225.256                     | 201.488                                      |
| - Other payables   |              | 225.256                     | 201.488                                      |
| Deferred revenue   |              | 1.138                       | 1.138  |
| - Deferred revenue   |              | 1.138                       | 1.138  |
| Long-term provisions   | 14           | 788.236                     | 804.666                                      |
| - Long-term provisions attributable to employee benefits   |              | 788.236                     | 804.666                                      |
| Deferred tax liabilities   |              | 366.976                     | 385.315                                      |
| <b>TOTAL LIABILITIES</b>   |              | <b>30.423.565</b>           | <b>38.313.276</b>                            |
| <b>EQUITY</b>  |              | <b>27.513.797</b>           | <b>27.481.181</b>                            |
| <b>Equity Attributable To Owners Of The Parent</b>   | 5,17         | <b>27.116.780</b>           | <b>27.058.371</b>                            |
| Paid in capital  |              | 370.000                     | 370.000                                      |
| Capital structure adjustment   |              | 5.896.112                   | 5.896.112                                    |
| Repurchased shares (-)   |              | (46.254)                    | -  |
| Premiums in capital stock  |              | 4.799.324                   | 4.799.324                                    |
| Accumulated other comprehensive income (loss)<br>that will not be reclassified to profit or loss |              | (1.829.897)                 | (2.791.796)                                  |
| - Loss on investments in equity instruments (-)  |              | (1.610.163)                 | (2.574.425)                                  |
| - Loss on revaluation and remeasurement (-)  |              | (219.734)                   | (217.371)                                    |
| Accumulated other comprehensive income<br>that will be reclassified to profit or loss            |              | (58.062)                    | 771.680                                      |
| - Currency translation reserve   |              | 224.201                     | 1.013.555                                    |
| - Hedging reserve  |              | (282.263)                   | (241.875)                                    |
| Legal reserves   |              | 4.363.227                   | 4.232.827                                    |
| Prior years' income  |              | 13.617.886                  | 15.169.957                                   |
| Net profit (loss) for the period   |              | 4.444                       | (1.389.733)                                  |
| <b>Non-controlling Interests</b>   |              | <b>397.017</b>              | <b>422.810</b>                               |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |              | <b>57.937.362</b>           | <b>65.794.457</b>                            |

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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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

|   |       | Reviewed<br>1 January-<br>30 June<br>2024 | Unreviewed<br>1 April-<br>30 June<br>2024 | (Restated)<br>Reviewed<br>1 January -<br>30 June<br>2023 | (Restated)<br>Unreviewed<br>1 April-<br>30 June<br>2023 |
|---|-------|---|---|--|---|
|   | Notes |   |   |  |   |
| Revenue   | 6     | 28.288.996                                | 10.870.544                                | 32.080.114   | 15.011.360  |
| Cost of revenue (-)   |       | (24.893.930)                              | (9.575.694)                               | (30.371.989)   | (13.392.979)  |
| <b>GROSS PROFIT</b>   |       | <b>3.395.066</b>                          | <b>1.294.850</b>                          | <b>1.708.125</b>   | <b>1.618.381</b>  |
| General administrative expenses (-)                                 |       | (1.139.576)                               | (517.574)                                 | (1.091.190)  | (558.498)   |
| Marketing expenses (-)  |       | (1.584.989)                               | (504.333)                                 | (1.385.752)  | (605.442)   |
| Research and development expenses (-)                               |       | (29.583)                                  | (7.383)                                   | (40.765)   | (20.221)  |
| Other operating income  | 19    | 1.412.040                                 | 597.243                                   | 1.578.754  | 1.073.881   |
| Other operating expenses (-)  | 19    | (1.891.900)                               | (770.287)                                 | (2.993.931)  | (2.015.492)   |
| Share on loss of investments valued<br>by equity method             | 11    | (61.038)                                  | (31.950)                                  | (12.861)   | (86.696)  |
| <b>OPERATING PROFIT (LOSS)</b>                                      |       | <b>100.020</b>                            | <b>60.566</b>                             | <b>(2.237.620)</b>                                       | <b>(594.087)</b>  |
| Investment income   | 4     | 165.093                                   | (137.158)                                 | 1.461.392  | 1.213.712   |
| Investment expense (-)  | 4     | (343.895)                                 | (109.443)                                 | (31.016)   | (1.898)   |
| <b>LOSS BEFORE FINANCIAL<br/>INCOME (EXPENSE)</b>                   |       | <b>(78.782)</b>                           | <b>(186.035)</b>                          | <b>(807.244)</b>   | <b>617.727</b>  |
| Financial income  | 20    | 780.467                                   | 349.807                                   | 1.165.617  | 917.097   |
| Financial expenses (-)  | 20    | (1.326.456)                               | (589.061)                                 | (1.190.334)  | (914.825)   |
| Net monetary position gain (loss)                                   |       | 675.294                                   | 375.097                                   | (29.386)   | (56.519)  |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS BEFORE TAXATION</b> |       | <b>50.523</b>                             | <b>(50.192)</b>                           | <b>(861.347)</b>   | <b>563.480</b>  |
| <b>Tax Income (Expense) from Continuing Operations (-)</b>          |       | <b>(26.405)</b>                           | <b>652.299</b>                            | <b>(1.021.590)</b>                                       | <b>(410.903)</b>  |
| Tax expense for the period (-)                                      |       | (213.681)                                 | (68.110)                                  | (773.600)  | (160.095)   |
| Deferred tax income (expense)                                       |       | 187.276                                   | 720.409                                   | (247.990)  | (250.808)   |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS FOR THE PERIOD</b>  |       | <b>24.118</b>                             | <b>602.107</b>                            | <b>(1.882.937)</b>                                       | <b>152.577</b>  |
| <b>Distribution of Profit (Loss) for the Period</b>                 |       |   |   |  |   |
| Non-controlling interests   |       | 19.674                                    | 22.394                                    | (58.243)   | (73.032)  |
| Owners of the parent  | 18    | 4.444                                     | 579.713                                   | (1.824.694)  | 225.609   |
| <b>Earnings (Loss) Per Share</b>                                    | 18    | 0,012                                     | 1,567                                     | (4,932)  | 0,610   |

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

|   | Reviewed<br>1 January-<br>30 June<br>2024 | Unreviewed<br>1 April-<br>30 June<br>2024 | (Restated)<br>Reviewed<br>1 January -<br>30 June<br>2023 | (Restated)<br>Unreviewed<br>1 April-<br>30 June<br>2023 |
|---|---|---|--|---|
| <b>PROFIT (LOSS) FOR THE PERIOD</b>   | <b>24.118</b>                             | <b>602.107</b>                            | <b>(1.882.937)</b>                                       | <b>152.577</b>  |
| <b>OTHER COMPREHENSIVE INCOME:</b>  |   |   |  |   |
| <b><u>Items that will not be reclassified to profit or loss</u></b>                       | <b>961.899</b>                            | <b>218.271</b>                            | <b>(472.419)</b>   | <b>(649.401)</b>  |
| Gain (loss) on investments in equity instruments  | 992.886                                   | 223.575                                   | (486.325)  | (617.041)   |
| Gain (loss) on revaluation of defined benefit plans                                       | (4.314)                                   | (23.142)                                  | 10.364   | (33.723)  |
| Taxes based on other comprehensive income that will not be reclassified to profit or loss | (26.673)                                  | 17.838                                    | 3.542  | 1.363   |
| - <i>Deferred tax (income) expense (-)</i>  | (26.673)                                  | 17.838                                    | 3.542  | 1.363   |
| <b><u>Items that will be reclassified to profit or loss</u></b>                           | <b>(875.209)</b>                          | <b>(572.295)</b>                          | <b>1.691.695</b>   | <b>2.285.043</b>  |
| Currency translation reserve differences  | (834.821)                                 | (487.482)                                 | 1.330.800  | 2.141.577   |
| Other comprehensive income (expense) related to cash flow hedging                         | (53.851)                                  | (113.084)                                 | 451.117  | 179.331   |
| Taxes based on other comprehensive income that will be reclassified to profit or loss     | 13.463                                    | 28.271                                    | (90.222)   | (35.865)  |
| - <i>Deferred tax (income) expense (-)</i>  | 13.463                                    | 28.271                                    | (90.222)   | (35.865)  |
| <b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>   | <b>86.690</b>                             | <b>(354.024)</b>                          | <b>1.219.276</b>   | <b>1.635.642</b>  |
| <b>TOTAL COMPREHENSIVE INCOME (EXPENSE)</b>   | <b>110.808</b>                            | <b>248.083</b>                            | <b>(663.661)</b>   | <b>1.788.219</b>  |
| <b>Distribution of Total Comprehensive Income (Loss) for the Period</b>                   |   |   |  |   |
| Non-controlling interests   | (25.793)                                  | (2.228)                                   | 5.455  | 27.655  |
| Owners of the parent  | 136.601                                   | 250.311                                   | (669.116)  | 1.760.564   |

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

|   | Paid in capital | Capital structure adjustment | Repurchased shares | Premiums in capital stock | Items not to be reclassified to profit or loss   |  | Items to be reclassified to profit or loss |                         | Retained Earnings |                     |                                  | Equity attributable to owners of the parent | Non-controlling interests | Equity            |  |
|---|-----------------|------------------------------|--------------------|---------------------------|--|--|--|-------------------------|-------------------|---------------------|----------------------------------|---|---------------------------|-------------------|--|
|   |                 |                              |                    |                           | 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 |   |                           |                   |  |
| <b>(Restated) Reviewed</b>  |                 |                              |                    |                           |  |  |  |                         |                   |                     |                                  |   |                           |                   |  |
| <b>Opening balance as of 1 January 2023</b>   | 370.000         | 5.896.112                    | -                  | 4.799.324                 | (2.402.270)                                      | (238.376)                                    | 2.093.938                                  | (567.415)               | 3.971.578         | 15.317.503          | 1.918.233                        | 31.158.627                                  | 437.754                   | 31.596.381        |  |
| Effect of changes in accounting policies  | -               | -                            | -                  | -                         | -  | -  | -  | (185.735)               | -                 | 185.735             | -                                | -   | -                         | -                 |  |
| <b>Revised balance as of 1 January 2018</b>   | 370.000         | 5.896.112                    | -                  | 4.799.324                 | (2.402.270)                                      | (238.376)                                    | 2.093.938                                  | (753.150)               | 3.971.578         | 15.503.238          | 1.918.233                        | 31.158.627                                  | 437.754                   | 31.596.381        |  |
| Transfers   | -               | -                            | -                  | -                         | -  | -  | -  | -                       | 206.661           | 1.711.572           | (1.918.233)                      | -   | -                         | -                 |  |
| Total comprehensive income (expense)  | -               | -                            | -                  | -                         | (482.855)  | 10.437                                       | 1.267.101                                  | 360.894                 | -                 | -                   | (1.824.694)                      | (669.117)                                   | 5.456                     | (663.661)         |  |
| - Profit (loss) for the period  | -               | -                            | -                  | -                         | -  | -  | -  | -                       | -                 | -                   | (1.824.694)                      | (1.824.694)                                 | (58.243)                  | (1.882.937)       |  |
| - Other comprehensive income (expense)  | -               | -                            | -                  | -                         | (482.855)  | 10.437                                       | 1.267.101                                  | 360.894                 | -                 | -                   | -                                | 1.155.577                                   | 63.699                    | 1.219.276         |  |
| Dividends   | -               | -                            | -                  | -                         | -  | -  | -  | -                       | -                 | (1.990.074)         | -                                | (1.990.074)                                 | -                         | (1.990.074)       |  |
| <b>Closing balance as of 30 June 2023</b>   | <b>370.000</b>  | <b>5.896.112</b>             | <b>-</b>           | <b>4.799.324</b>          | <b>(2.885.125)</b>                               | <b>(227.939)</b>                             | <b>3.361.039</b>                           | <b>(392.256)</b>        | <b>4.178.239</b>  | <b>15.224.736</b>   | <b>(1.824.694)</b>               | <b>28.499.436</b>                           | <b>443.210</b>            | <b>28.942.646</b> |  |
| <b>Reviewed</b>   |                 |                              |                    |                           |  |  |  |                         |                   |                     |                                  |   |                           |                   |  |
| <b>Opening balance as of 1 January 2024</b>   | 370.000         | 5.896.112                    | -                  | 4.799.324                 | (2.574.425)                                      | (217.371)                                    | 1.013.555                                  | (11.735)                | 4.232.827         | 14.984.222          | (1.434.138)                      | 27.058.371                                  | 422.810                   | 27.481.181        |  |
| Effect of changes in accounting policies  | -               | -                            | -                  | -                         | -  | -  | -  | (230.140)               | -                 | 185.735             | 44.405                           | -   | -                         | -                 |  |
| <b>Revised balance as of 1 January 2019</b>   | 370.000         | 5.896.112                    | -                  | 4.799.324                 | (2.574.425)                                      | (217.371)                                    | 1.013.555                                  | (241.875)               | 4.232.827         | 15.169.957          | (1.389.733)                      | 27.058.371                                  | 422.810                   | 27.481.181        |  |
| Transfers   | -               | -                            | -                  | -                         | -  | -  | -  | -                       | 84.146            | (1.473.879)         | 1.389.733                        | -   | -                         | -                 |  |
| Total comprehensive income  | -               | -                            | -                  | -                         | 964.262  | (2.363)                                      | (789.354)                                  | (40.388)                | -                 | -                   | 4.444                            | 136.601                                     | (25.793)                  | 110.808           |  |
| - Profit (loss) for the period  | -               | -                            | -                  | -                         | -  | -  | -  | -                       | -                 | -                   | 4.444                            | 4.444                                       | 19.674                    | 24.118            |  |
| - Other comprehensive income (expense)  | -               | -                            | -                  | -                         | 964.262  | (2.363)                                      | (789.354)                                  | (40.388)                | -                 | -                   | -                                | 132.157                                     | (45.467)                  | 86.690            |  |
| Increase (decrease) due to changes in the proportion of shares in subsidiaries that doesn't result in loss of control | -               | -                            | -                  | -                         | -  | -  | -  | -                       | -                 | (31.938)            | -                                | (31.938)                                    | -                         | (31.938)          |  |
| Increase due to share buyback transactions  | -               | -                            | (46.254)           | -                         | -  | -  | -  | -                       | 46.254            | (46.254)            | -                                | (46.254)                                    | -                         | (46.254)          |  |
| <b>Closing balance as of 30 June 2024</b>   | <b>370.000</b>  | <b>5.896.112</b>             | <b>-</b>           | <b>4.799.324</b>          | <b>(1.610.163)</b>                               | <b>(219.734)</b>                             | <b>224.201</b>                             | <b>(282.263)</b>        | <b>4.363.227</b>  | <b>13.617.886</b>   | <b>4.444</b>                     | <b>27.116.780</b>                           | <b>397.017</b>            | <b>27.513.797</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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

|  | Notes | Reviewed<br>1 January-<br>30 June<br>2024 | (Restated)<br>Reviewed<br>1 January -<br>30 June<br>2023 |
|--|-------|---|--|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>   |       | <b>3.390.437</b>                          | <b>(1.693.350)</b>                                       |
| Profit for the Period  |       | 24.118                                    | (1.882.937)  |
| Adjustments to Reconcile Net Profit  |       | 2.791.594                                 | 3.115.417  |
| - Depreciation and Amortization  | 12    | 991.114                                   | 980.974  |
| - Impairment/Reversed Provision  | 10    | (19.923)                                  | (16.473)   |
| - Provision Adjustments  | 8,14  | (438.168)                                 | 549.521  |
| - Dividend Income and Expenses   |       | (39.162)                                  | (73.361)   |
| - Interest Income and Expense Adjustments  | 20    | 283.114                                   | 257.946  |
| - Gain/Loss on Fair Valuation  | 4,23  | 313.169                                   | (224.728)  |
| - Group's Share on Profit of Investments in Associates<br>Accounted by Equity Method                     | 11    | 61.038                                    | 12.861   |
| - Allowance for Taxation   |       | 26.405                                    | 1.021.591  |
| - Adjustments for Gain/Loss on Sale of Fixed Assets  | 12    | (46.962)                                  | (63.192)   |
| - Adjustments for Gain/Loss from Monetary Items  |       | 1.660.969                                 | 670.278  |
| Movements in Working Capital   |       | 1.188.319                                 | (1.538.831)  |
| - Changes in Financial Investments   | 4     | 1.355.317                                 | 147.095  |
| - Changes in Trade Receivables   | 8     | 1.881.285                                 | (686.524)  |
| - Changes in Other Assets  |       | 83.575                                    | (122.311)  |
| - Changes in Contract Assets Arising from Ongoing Construction Works                                     | 9     | (441.964)                                 | (1.552.821)  |
| - Changes in Inventories   | 10    | 3.174.472                                 | 4.991.482  |
| - Changes in Prepaid Expenses  |       | (242.898)                                 | (334.372)  |
| - Changes in Trade Payables  | 8     | (3.244.611)                               | (4.726.818)  |
| - Changes in Payables Related to Employee Benefits   |       | 78.737                                    | 220.372  |
| - Changes in Contract Liabilities Arising from Ongoing Construction Works                                | 9     | (344.298)                                 | (465.954)  |
| - Changes in Other Liabilities   |       | 18.987                                    | 168.127  |
| - Changes in Deferred Revenue  |       | (1.130.283)                               | 822.893  |
| Cash Generated by Operating Activities   |       | 4.004.031                                 | (306.351)  |
| Interest Paid  |       | (536.734)                                 | (378.442)  |
| Interest Received  |       | 253.620                                   | 120.495  |
| Payments Related to Employee Benefits  | 14    | (116.396)                                 | (355.044)  |
| Other Provision Paid   | 14    | (403)                                     | (408)  |
| Tax Paid/Return  |       | (213.681)                                 | (773.600)  |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>   |       | <b>(1.275.039)</b>                        | <b>(757.560)</b>   |
| Cash Outflows for Payments due to Additional Share Acquisition of Subsidiaries                           | 1     | (31.882)                                  | -  |
| Cash Outflows for Acquisition of Shares in Other Entities or Shares in Funds<br>or Borrowing Instruments | 4,23  | (567.144)                                 | 8.503  |
| Proceeds from Sales of Tangible and Intangible Assets  | 12    | 115.508                                   | 70.657   |
| Acquisition of Tangible and Intangible Assets  | 12    | (816.972)                                 | (980.945)  |
| Acquisition of Investment Properties   | 12    | (39.303)                                  | (7.839)  |
| Advances and Debts Given   |       | (21.750)                                  | (10.018)   |
| Dividend Received  |       | 39.162                                    | 73.361   |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |       | <b>(615.526)</b>                          | <b>(1.349.446)</b>                                       |
| Cash Outflows for Payments due to Repurchased Shares   | 5     | (46.254)                                  | -  |
| Proceeds from Borrowings   |       | 5.393.345                                 | 3.371.083  |
| Repayments of Borrowings   |       | (5.811.587)                               | (2.603.966)  |
| Payments of Lease Obligations  |       | (151.030)                                 | (126.489)  |
| Dividend Paid  |       | -   | (1.990.074)  |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS BEFORE<br/>CURRENCY TRANSLATION RESERVE EFFECT</b>                |       | <b>1.499.872</b>                          | <b>(3.800.356)</b>                                       |
| <b>D. CURRENCY TRANSLATION RESERVE EFFECT ON<br/>CASH AND CASH EQUIVALENTS</b>                           |       | (1.430.639)                               | 1.177.993  |
| <b>MONETARY LOSS ON CASH AND CASH EQUIVALENTS</b>  |       | (1.687.662)                               | (1.494.828)  |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>                                    |       | <b>(1.618.429)</b>                        | <b>(4.117.191)</b>                                       |
| <b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING<br/>OF THE PERIOD</b>                                   |       | 8.223.698                                 | 8.532.584  |
| <b>CASH AND CASH EQUIVALENTS AT THE END<br/>OF THE PERIOD (A+B+C+D+E)</b>                                |       | <b>6.605.269</b>                          | <b>4.415.393</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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

### 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 2024, the Group has 10.521 employees (31 December 2023: 11.878) 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 Istanbul since 23 November 2007.

As of 30 June 2024, changes within the Group structure are as follows:

An agreement reached on 1 March 2024, involves the acquisition of the remaining 30% stake in Toros Gönen Yenilenebilir Enerji Üretim A.Ş., a subsidiary in which Grup holds a direct participation of 70% through its subsidiary Toros Tarım Sanayi ve Ticaret A.Ş., for a consideration of 1.000.000 USD.

Tekmarmara Enerji Üretim A.Ş. was established on 15 March 2024.

Approval of condensed consolidated financial statements:

The condensed consolidated financial statements are approved and published by the Board of Directors as of 26 September 2024.

### 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 3 July 2024.

The Group has preferred to disclose its interim consolidated financial statements as of 30 June 2024 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 2023 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 2023.

Exchange rates used in the consolidation process as of 30 June 2024 are; 1 USD= 32,8262 TL, 1 EUR= 35,1284 TL, 1 AZN= 19,3095 TL, 1 SAR= 8,7537 TL, 1 QAR= 8,9935 TL, 1 RON= 7,0179 (Exchange rates as of 31 December 2023 are; 1 USD= 29,4382 TRY, 1 EUR= 32,5739 TRY, 1 AZN= 17,3166 TRY, 1 SAR= 7,8502 TRY, 1 QAR= 8,0653 TRY, 1 RON= 6,5113).

Summary consolidated financial statements have been prepared on the historical cost basis adjusted for the effects of inflation on the Turkish Lira as of the reporting date, in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies, except for monetary assets and liabilities and the assets and liabilities measured at fair value as mentioned below:

- Financial assets and derivative financial instruments measured at fair value through profit or loss,
- Financial assets measured at fair value through other comprehensive income.

In determining historical cost, the fair value of the amount paid for assets at the date of acquisition is generally used.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

### 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### Financial Reporting in Hyperinflationary Economies

Entities applying IFRS have started to implement inflation accounting according to IAS 29 Financial Reporting in Hyperinflationary Economies for their financial statements for annual reporting periods ending on or after 31 December 2023, following the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (KGK) on 23 November 2023. TAS 29, businesses in a currency of a highly inflationary economy apply it in their financial statements, including interim condensed consolidated financial statements. TAS 29 is applied in the financial statements of entities whose functional currency is the currency of a hyperinflationary economy, including interim condensed consolidated financial statements.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2023 and 30 June 2023 on the purchasing power basis as of 30 June 2024.

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

The adjustments made in accordance with TAS 29 have been calculated using the correction coefficient obtained from the Consumer Price Index ("CPI") published by the Turkish Statistical Institute ("TÜİK"). As of June 30, 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

| <b>Year End</b>  | <b>Index</b> | <b>Conversion Factor</b> | <b>Three-year Inflation Rate</b> |
|------------------|--------------|--------------------------|----------------------------------|
| 30 June 2024     | 2.319,29     | 1,00000                  | 324%                             |
| 31 December 2023 | 1.859,38     | 1,24734                  | 268%                             |
| 30 June 2023     | 1.351,59     | 1,71597                  | 190%                             |

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Consolidated financial statements are expressed in terms of the purchasing power at the balance sheet date of the current period. Consolidated financial statements from the previous period have also been adjusted for the purchasing power of the current period.
- Monetary assets and liabilities are already expressed based on the purchasing power at the end of the reporting period and therefore are not adjusted. Monetary items are money held and items to be received or paid in money.
- Non-monetary assets, liabilities and equity are adjusted based on the purchasing power of the current period.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when they were initially recognized in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

#### **Changes in Accounting Estimates and Errors**

If changes in accounting estimates and errors are for only one period, changes are applied in the current year but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. If any significant accounting errors are found out, changes are applied retrospectively and prior year's financial statements are restated.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

### 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### Changes in Accounting Estimates and Errors (cont'd)

As stated in Note 21, the Group's subsidiary, Toros Tarım, uses foreign exchange derivatives to protect against financial risks from important transactions and cash flows related to foreign currency debts.

For the six-month interim reporting period ending 30 June 2023, the change in the spot component value of forward foreign exchange contracts amounting to 727.580, shown in the consolidated balance sheet under the hedging gains (losses) account, has been classified under "other expenses from core operations" in the profit or loss statement. The tax effect of this change, amounting to 145.518, has been classified under deferred tax income (expense).

In the consolidated balance sheet as of 31 December 2023, the changes in the spot component value of forward foreign exchange contracts, shown under the hedging gains (losses) account, have been classified into the profit or loss statement and the prior period effects have been classified into retained earnings. This classification has no impact on total equity.

As of 31 December 2023, the Group has classified the loan amounting to 406.307, shown under long-term borrowings in the consolidated financial statements, as short-term borrowings.

|  | <b>31 December 2023</b>  |                               |                         |
|--|--------------------------|-------------------------------|-------------------------|
|  | <b>Before Adjustment</b> | <b>Effects of Adjustments</b> | <b>After Adjustment</b> |
| <b>TOTAL ASSETS</b>                                | <b>65.794.457</b>        | <b>-</b>                      | <b>65.794.457</b>       |
| <b>Current Liabilities</b>                         | <b>33.820.730</b>        | <b>406.307</b>                | <b>34.227.037</b>       |
| <b>Non-Current Liabilities</b>                     | <b>4.492.546</b>         | <b>(406.307)</b>              | <b>4.086.239</b>        |
| <b>EQUITY</b>                                      | <b>27.481.181</b>        | <b>-</b>                      | <b>27.481.181</b>       |
| <b>Equity Attributable To Owners Of The Parent</b> | <b>27.058.371</b>        | <b>-</b>                      | <b>27.058.371</b>       |
| Hedging reserve                                    | (11.735)                 | (230.140)                     | (241.875)               |
| Prior years' income                                | 14.984.222               | 185.735                       | 15.169.957              |
| Net profit for the period                          | (1.434.138)              | 44.405                        | (1.389.733)             |
| Other equity items                                 | 13.520.022               | -                             | 13.520.022              |
| <b>Non-controlling Interests</b>                   | <b>422.810</b>           | <b>-</b>                      | <b>422.810</b>          |
| <b>TOTAL LIABILITIES</b>                           | <b>65.794.457</b>        | <b>-</b>                      | <b>65.794.457</b>       |

|   | <b>1 January - 30 June 2023</b> |                               |                         |
|---|---------------------------------|-------------------------------|-------------------------|
|   | <b>Before Adjustment</b>        | <b>Effects of Adjustments</b> | <b>After Adjustment</b> |
| <b>GROSS PROFIT</b>   | <b>1.708.125</b>                | <b>-</b>                      | <b>1.708.125</b>        |
| Operational expenses (-)  | (2.517.707)                     | -                             | (2.517.707)             |
| Other operating income/(expenses),net                           | (2.142.757)                     | 727.580                       | (1.415.177)             |
| Share on profit of investments valued by equity method          | (12.861)                        | -                             | (12.861)                |
| <b>OPERATING PROFIT (LOSS)</b>                                  | <b>(2.965.200)</b>              | <b>727.580</b>                | <b>(2.237.620)</b>      |
| Investment income/(expenses),net                                | 1.430.376                       | -                             | 1.430.376               |
| <b>LOSS BEFORE FINANCIAL INCOME (EXPENSE)</b>                   | <b>(1.534.824)</b>              | <b>727.580</b>                | <b>(807.244)</b>        |
| Financial income/(expenses),net                                 | (24.717)                        | -                             | (24.717)                |
| Net monetary position gain (loss)                               | (29.386)                        | -                             | (29.386)                |
| <b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION</b> | <b>(1.588.927)</b>              | <b>727.580</b>                | <b>(861.347)</b>        |
| Tax Expense from Continuing Operations (-)                      | (876.072)                       | (145.518)                     | (1.021.590)             |
| <b>PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD</b>  | <b>(2.464.999)</b>              | <b>582.062</b>                | <b>(1.882.937)</b>      |
| <b>Distribution of Profit for the Period</b>                    |                                 |                               |                         |
| Non-controlling interests                                       | (58.243)                        | -                             | (58.243)                |
| Owners of the parent  | (2.406.756)                     | 582.062                       | (1.824.694)             |

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

### 3. ADOPTION OF NEW AND REVISED STANDARDS

New and revised standards and interpretations are presented below:

#### (a) New standards, changes, and interpretations effective from 2024:

- IAS 1 (Amendments), "Classification of Liabilities as Current or Non-current"
- IFRS 16 (Amendments), "Leases - Sale and Leaseback Transactions"
- IAS 7 and IFRS 7 (Amendments), "Supplier Finance Arrangements"
- IAS 12 (Amendments), "International Tax Reform – Second Pillar Model Rules"

#### (b) Standards and interpretations and amendments to existing standards that are issued but not yet effective and have not been early adopted by the Group:

- IFRS 10 and IAS 28 (Amendments), "Sales or Contributions of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17, "Insurance Contracts"
- TAS 21 (Amendments), "Lack of Exchangeability"

#### (c) Changes published by the International Accounting Standards Board (IASB) but not yet published by the Public Oversight, Accounting and Auditing Standards Authority (KGK):

- IFRS 9 and IFRS 7 (Amendments), Classification and measurement of financial instruments
- IFRS 18, "Presentation and Disclosure in New Financial Statements Standard"
- IFRS 19, "Subsidiaries without Public Accountability: Disclosures"

The Group is assessing the impact of standards, amendments, and interpretations that have been published but are not yet effective as of 30 June 2024, on the 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:

A contract was signed on 10 December 2017, between Tekfen-Al Jaber J.V., in which Tekfen İnşaat holds a 50% share, and the Employer administration Qatar Supreme Committee for Delivery and Legacy. The engineering and construction works of the Al Thumama stadium complex, which hosted the 2022 FIFA World Cup finals with a capacity of 44.400 spectators, were undertaken.

During the construction period, changes were made in the project's design to comply with FIFA Standards at the request of the Employer administration, resulting in an increase in the project's end-of-project costs. The entire increase, proportional to the Group's share, has been included in the consolidated financial statements in previous years. As of the balance sheet date, an agreement has been reached with the Employer administration to compensate for losses with partners, amounting to 365.960.087 Qatari Riyals. The entire agreed amount has been transferred to the partnership account on 11 January 2024. Activities under the warranty period responsibilities for the project are ongoing.

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

A contract was signed on 27 December 2019, between Rusfen, a subsidiary of the Group, and Kharampurneftgaz LLC for the construction and assembly of a 90 km long 48" diameter gas pipeline.

Various adversities were experienced during the construction process of the project undertaken in the Yamalo-Nenets Autonomous Region of Russia. As a result of measures taken to reduce costs and the development of different business methods, some of the effects of the financial results reflected in the consolidated financial statements at the beginning of the project, to reduce end-of-project costs continue. As of the reporting date, the entire expected loss at the end of the project has been included in the attached consolidated financial statements.

Upon realizing that consensus could not be reached in negotiations with the Employer administration for the compensation of our losses, legal action has been taken against the Employer administration, OOO Kharampurneftgaz, by Tekfen İnşaat and OOO Rusfen Consortium to assert our rights, claims, and assets related to this project.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

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

#### Construction Projects (cont'd)

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

In accordance with the contract signed between Tekfen İnşaat and the Saudi Arabian Oil Company on 30 July 2018, the Haradh Field Gas Increment Program - Satellite Gas Compression Stations Pipeline Construction Works project has been undertaken.

Delays have occurred in the project due to material supply delays provided by the Employer administration and extensions of time issued by the Employer administration. Previous year, the entire expected loss in the estimated costs of the project has been included in the consolidated financial statements. The invoice for the amount of 21 million USD, which entitles the company to collect payment for expenses related to additional work recorded in the consolidated financial statements for previous periods, was issued and collected on 1 July 2024. Discussions regarding additional works, resulting cost increases, and claims arising from time extensions are ongoing. Activities are continuing within the scope of warranty period responsibilities in the project.

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

Under the contract signed between Tekfen İnşaat and Chiyoda Technip Joint Venture (CTJV) on 31 January 2022, the "General Works for Offsites 2 and South Interconnecting Piperack for North Field East Onshore Project EPC-1" project has been undertaken in Qatar. As of the balance sheet date, the financial completion rate of the relevant project is 54%.

As of the reporting date, an increase in the estimated cost of the project has been anticipated due to delays experienced in the installation of temporary camps, workshops, warehouses, office facilities, and mobilization phase. Negative changes in the income/expense difference resulting from this cost increase and the inclusion of additional revenues have been included into the consolidated financial statements in accordance with Turkish Financial Reporting Standards. As a result of these losses, changes have been made to the project management organization, negotiations have been conducted with the administration, and efforts are underway to reduce the projected losses through increased project efficiencies and savings.

#### Financial Investments

##### Long term financial investments

During the six month interim period ended 30 June 2024, the negative change of 313.169 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 2023: 255.374 positive, 30.646 negative). The Group has purchased 4.738 financial investments at fair value through profit or loss during the period. (30 June 2023: 8.503).

##### 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 2024. The positive changes in the fair value of KKM amounting to 46.127 are recognized in the investment income in the condensed consolidated statement of profit or loss (30 June 2023: 1.013.215 positive). Total amount of KKM is presented in short-term financial investments as of 30 June 2024 is 16.697 (31 December 2023: 1.319.162).

As of 30 June 2024, the Eurobond is not included in short-term financial investments (31 December 2023: 36.967).

#### Business Combinations

Tekmarmara Enerji Üretim A.Ş., a subsidiary of Babadağ Group, has signed a Share Purchase Agreement for the acquisition of 100% of the paid-in capital of Babadağ Elektrik Üretim Sanayi ve Ticaret A.Ş. (Babadağ) The share transfer process was completed on 30 April 2024. As a result of the business combination, the temporary goodwill amount calculated in accordance with TFRS has been recognized was provisionally in the condensed consolidated financial statements as of 30 June 2024 (Note: 12).

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

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

#### Other

Our affiliated company, Tekfen Construction and Installation Inc., is undergoing an income tax audit for the years 2017 and 2018 in Qatar through its branch, as required by the tax authority. We have filed objections with the "Tax Appeal Committee" regarding the additional tax liability we received after the audit. The hearing schedule for our appeals is still being planned as of the report date. Based on past practices and advice from our tax and legal consultants, we believe the basis for the additional tax is not justified, so no provision has been made in the consolidated financial statements.

Our affiliated company, Tekfen Construction and Installation Inc., has received a notification from the Saudi Arabian Tax Authority (ZATCA) regarding the review of VAT declarations related to its 2023 operations in Saudi Arabia through its branch. The tax audit process is still ongoing as of the report date.

### 5. SIGNIFICANT CHANGES IN EQUITY

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

The positive change of 964.262 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 2023: negative change of 482.855).

#### Retained Earnings Restricted for Legal Reserves:

Based on the resolutions adopted at the Ordinary General Meetings of the Group Companies until 30 June 2024, 84.146 of legal reserves were transferred from retained earnings in the condensed consolidated financial statements as of 30 June 2024 (30 June 2023: 206.661).

#### Hedging Gains (Losses):

The negative change of 40.388 (30 June 2023: positive 360.894) in the fair values of the effective derivative instruments which the Group uses for cash flow hedging has been recognized in equity.

#### Profit Distribution:

At the Ordinary General Assembly Meeting held on 13 May 2024, it was decided not to distribute dividends due to the absence of accumulated profits and the emergence of losses related to the activities of 2023.

#### Repurchased Shares:

On 31 January 2024, the Company's Board of Directors decided to initiate a share repurchase program for a period of one year, up to shares with a nominal value of 18.500, representing 5% of the company's capital. The total amount of funds allocated for the repurchase is 925.000. As of the report date, a total nominal amount of 1.036 has been repurchased, and the proportion of repurchased shares to the total capital is 0,28%.

#### Additional Information Regarding Inflation Adjustments:

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 30 June 2024 and the restated amounts in the financial statements prepared in accordance with legal legislation and TAS/TFRS are as follows:

| 30 June 2024 (TFRS)            | Historical amount | Inflated amount | Inflation adjustment effect |
|--------------------------------|-------------------|-----------------|-----------------------------|
| Adjustments to paid in capital | 370.000           | 6.266.112       | 5.896.112                   |
| Premiums in capital stock      | 300.984           | 4.799.324       | 4.498.340                   |
| Legal reserves                 | 1.762.742         | 4.363.227       | 2.600.485                   |
| 30 June 2024 (Legal)           | Historical amount | Inflated amount | Inflation adjustment effect |
| Adjustments to paid in capital | 370.000           | 9.218.130       | 8.848.130                   |
| Premiums in capital stock      | 300.984           | 7.387.439       | 7.086.455                   |
| Legal reserves                 | 1.762.742         | 5.672.617       | 3.909.875                   |

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 6. SEGMENT REPORTING

##### a) Segment results:

|   | 1 January - 30 June 2024     |                          |                  |                  |
|---|------------------------------|--------------------------|------------------|------------------|
|   | Engineering<br>& Contracting | Agricultural<br>Industry | Investment       | Total            |
| Revenue   | 9.806.681                    | 18.190.848               | 291.467          | 28.288.996       |
| Cost of revenue (-)   | (8.553.044)                  | (16.144.660)             | (196.226)        | (24.893.930)     |
| <b>GROSS PROFIT</b>   | <b>1.253.637</b>             | <b>2.046.188</b>         | <b>95.241</b>    | <b>3.395.066</b> |
| General administrative expenses (-)                                 | (544.360)                    | (275.614)                | (319.602)        | (1.139.576)      |
| Marketing expenses (-)  | (24.289)                     | (1.560.700)              | -                | (1.584.989)      |
| Research and development expenses (-)                               | -                            | (29.583)                 | -                | (29.583)         |
| Other operating income  | 730.050                      | 643.920                  | 38.070           | 1.412.040        |
| Other operating expenses (-)  | (729.916)                    | (1.091.054)              | (70.930)         | (1.891.900)      |
| Share on loss of investments valued<br>by equity method             | (61.038)                     | -                        | -                | (61.038)         |
| <b>OPERATING PROFIT (LOSS)</b>                                      | <b>624.084</b>               | <b>(266.843)</b>         | <b>(257.221)</b> | <b>100.020</b>   |
| Investment income   | 68.488                       | 7.635                    | 88.970           | 165.093          |
| Investment expense (-)  | (29.245)                     | (1.447)                  | (313.203)        | (343.895)        |
| <b>PROFIT (LOSS) BEFORE FINANCIAL<br/>INCOME (EXPENSES)</b>         | <b>663.327</b>               | <b>(260.655)</b>         | <b>(481.454)</b> | <b>(78.782)</b>  |
| Financial income  | 258.625                      | 275.290                  | 246.552          | 780.467          |
| Financial expenses (-)  | (479.265)                    | (677.990)                | (169.201)        | (1.326.456)      |
| Net monetary position gain (loss)                                   | 588                          | 870.684                  | (195.978)        | 675.294          |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS BEFORE TAXATION</b> | <b>443.275</b>               | <b>207.329</b>           | <b>(600.081)</b> | <b>50.523</b>    |
| Tax expense from continuing operations                              | (10.287)                     | (9.670)                  | (6.448)          | (26.405)         |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS FOR THE PERIOD</b>  | <b>432.988</b>               | <b>197.659</b>           | <b>(606.529)</b> | <b>24.118</b>    |

For the six month interim period ended 30 June 2024, 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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 6. SEGMENT REPORTING (cont'd)

##### a) Segment results (cont'd):

|   | 1 April - 30 June 2024       |                          |                  | Total            |
|---|------------------------------|--------------------------|------------------|------------------|
|   | Engineering<br>& Contracting | Agricultural<br>Industry | Investment       |                  |
| Revenue   | 4.713.257                    | 5.996.598                | 160.689          | 10.870.544       |
| Cost of revenue (-)   | (3.944.455)                  | (5.529.049)              | (102.190)        | (9.575.694)      |
| <b>GROSS PROFIT</b>   | <b>768.802</b>               | <b>467.549</b>           | <b>58.499</b>    | <b>1.294.850</b> |
| General administrative expenses (-)                                 | (251.780)                    | (146.435)                | (119.359)        | (517.574)        |
| Marketing expenses (-)  | (10.568)                     | (493.765)                | -                | (504.333)        |
| Research and development expenses (-)                               | 8.065                        | (15.448)                 | -                | (7.383)          |
| Other operating income  | 380.999                      | 202.248                  | 13.996           | 597.243          |
| Other operating expenses (-)  | (407.120)                    | (359.446)                | (3.721)          | (770.287)        |
| Share on loss of investments valued<br>by equity method             | (31.950)                     | -                        | -                | (31.950)         |
| <b>OPERATING PROFIT (LOSS)</b>                                      | <b>456.448</b>               | <b>(345.297)</b>         | <b>(50.585)</b>  | <b>60.566</b>    |
| Investment income   | (199.436)                    | 5.511                    | 56.767           | (137.158)        |
| Investment expense (-)  | 203.845                      | (119)                    | (313.169)        | (109.443)        |
| <b>PROFIT (LOSS) BEFORE FINANCIAL<br/>INCOME (EXPENSES)</b>         | <b>460.857</b>               | <b>(339.905)</b>         | <b>(306.987)</b> | <b>(186.035)</b> |
| Financial income  | 112.555                      | 119.635                  | 117.617          | 349.807          |
| Financial expense (-)   | (260.802)                    | (195.646)                | (132.613)        | (589.061)        |
| Net monetary position gain  | 342                          | 365.154                  | 9.601            | 375.097          |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS BEFORE TAXATION</b> | <b>312.952</b>               | <b>(50.762)</b>          | <b>(312.382)</b> | <b>(50.192)</b>  |
| Tax income from continuing operations                               | 82.741                       | 502.895                  | 66.663           | 652.299          |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS FOR THE PERIOD</b>  | <b>395.693</b>               | <b>452.133</b>           | <b>(245.719)</b> | <b>602.107</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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 6. SEGMENT REPORTING (cont'd)

##### a) Segment results (cont'd):

|   | 1 January - 30 June 2023     |                          |                  |                    |
|---|------------------------------|--------------------------|------------------|--------------------|
|   | Engineering<br>& Contracting | Agricultural<br>Industry | Investment       | Total              |
| Revenue   | 11.406.198                   | 20.458.076               | 215.840          | 32.080.114         |
| Cost of revenue (-)   | (10.694.821)                 | (19.542.561)             | (134.607)        | (30.371.989)       |
| <b>GROSS PROFIT</b>   | <b>711.377</b>               | <b>915.515</b>           | <b>81.233</b>    | <b>1.708.125</b>   |
| General administrative expenses (-)                                 | (520.869)                    | (233.665)                | (336.656)        | (1.091.190)        |
| Marketing expenses (-)  | (26.067)                     | (1.359.685)              | -                | (1.385.752)        |
| Research and development expenses (-)                               | (16.669)                     | (24.096)                 | -                | (40.765)           |
| Other operating income  | 499.543                      | 1.068.617                | 10.594           | 1.578.754          |
| Other operating expenses (-)  | (528.651)                    | (2.410.385)              | (54.895)         | (2.993.931)        |
| Share on loss of investments valued<br>by equity method             | (12.861)                     | -                        | -                | (12.861)           |
| <b>OPERATING PROFIT (LOSS)</b>                                      | <b>105.803</b>               | <b>(2.043.699)</b>       | <b>(299.724)</b> | <b>(2.237.620)</b> |
| Investment income   | 62.309                       | 345.435                  | 1.053.648        | 1.461.392          |
| Investment expense (-)  | (232)                        | (134)                    | (30.650)         | (31.016)           |
| <b>PROFIT (LOSS) BEFORE FINANCIAL<br/>INCOME (EXPENSES)</b>         | <b>167.880</b>               | <b>(1.698.398)</b>       | <b>723.274</b>   | <b>(807.244)</b>   |
| Financial income  | 88.189                       | 492.034                  | 585.394          | 1.165.617          |
| Financial expenses (-)  | (320.392)                    | (867.020)                | (2.922)          | (1.190.334)        |
| Net monetary position gain (loss)                                   | 300                          | 592.063                  | (621.749)        | (29.386)           |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS BEFORE TAXATION</b> | <b>(64.023)</b>              | <b>(1.481.321)</b>       | <b>683.997</b>   | <b>(861.347)</b>   |
| Tax expense from continuing operations                              | (68.414)                     | (725.131)                | (228.045)        | (1.021.590)        |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS FOR THE PERIOD</b>  | <b>(132.437)</b>             | <b>(2.206.452)</b>       | <b>455.952</b>   | <b>(1.882.937)</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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 6. SEGMENT REPORTING (cont'd)

##### b) Segment assets and liabilities:

|   | 1 April - 30 June 2023       |                          |                  |                  |
|---|------------------------------|--------------------------|------------------|------------------|
|   | Engineering<br>& Contracting | Agricultural<br>Industry | Investment       | Total            |
| Revenue   | 6.123.844                    | 8.784.666                | 102.850          | 15.011.360       |
| Cost of revenue (-)   | (5.747.890)                  | (7.578.446)              | (66.643)         | (13.392.979)     |
| <b>GROSS PROFIT</b>   | <b>375.954</b>               | <b>1.206.220</b>         | <b>36.207</b>    | <b>1.618.381</b> |
| General administrative expenses (-)                                 | (224.102)                    | (135.177)                | (199.219)        | (558.498)        |
| Marketing expenses (-)  | (9.541)                      | (595.901)                | -                | (605.442)        |
| Research and development expenses (-)                               | (9.235)                      | (10.986)                 | -                | (20.221)         |
| Other operating income  | 221.909                      | 843.072                  | 8.900            | 1.073.881        |
| Other operating expenses (-)  | (282.407)                    | (1.684.913)              | (48.172)         | (2.015.492)      |
| Share on loss of investments valued<br>by equity method             | (86.696)                     | -                        | -                | (86.696)         |
| <b>OPERATING LOSS</b>   | <b>(14.118)</b>              | <b>(377.685)</b>         | <b>(202.284)</b> | <b>(594.087)</b> |
| Investment income   | 2.533                        | 245.636                  | 965.543          | 1.213.712        |
| Investment expense (-)  | 15                           | (24)                     | (1.889)          | (1.898)          |
| <b>PROFIT (LOSS) BEFORE FINANCIAL<br/>INCOME (EXPENSES)</b>         | <b>(11.570)</b>              | <b>(132.073)</b>         | <b>761.370</b>   | <b>617.727</b>   |
| Financial income  | 83.806                       | 422.225                  | 411.066          | 917.097          |
| Financial expense (-)   | (157.698)                    | (759.351)                | 2.224            | (914.825)        |
| Net monetary position gain (loss)                                   | 98                           | 162.262                  | (218.879)        | (56.519)         |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS BEFORE TAXATION</b> | <b>(85.364)</b>              | <b>(306.937)</b>         | <b>955.781</b>   | <b>563.480</b>   |
| Tax expense from continuing operations                              | (13.455)                     | (291.233)                | (106.215)        | (410.903)        |
| <b>PROFIT (LOSS) FROM CONTINUING<br/>OPERATIONS FOR THE PERIOD</b>  | <b>(98.819)</b>              | <b>(598.170)</b>         | <b>849.566</b>   | <b>152.577</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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 6. SEGMENT REPORTING (cont'd)

##### b) Segment assets and liabilities:

|   | 30 June 2024                 |                       |            |            |
|---|------------------------------|-----------------------|------------|------------|
|   | Engineering<br>& Contracting | Agricultural Industry | Investment | Total      |
| <u>Balance sheet</u>                        |                              |                       |            |            |
| Total assets                                | 20.943.388                   | 28.340.994            | 8.652.980  | 57.937.362 |
| Current and non-current liabilities         | 18.489.407                   | 10.509.711            | 1.424.447  | 30.423.565 |
| Equity attributable to owners of the parent | (1.742.960)                  | 14.778.726            | 14.081.014 | 27.116.780 |
| Non-controlling interests                   | 393.447                      | 3.570                 | -          | 397.017    |
|   |                              |                       |            |            |
|   | 31 December 2023             |                       |            |            |
|   | Engineering<br>& Contracting | Agricultural Industry | Investment | Total      |
| <u>Balance sheet</u>                        |                              |                       |            |            |
| Total assets                                | 27.457.447                   | 30.355.282            | 7.981.728  | 65.794.457 |
| Current and non-current liabilities         | 25.210.580                   | 12.244.896            | 857.800    | 38.313.276 |
| Equity attributable to owners of the parent | (2.077.330)                  | 14.015.370            | 15.120.331 | 27.058.371 |
| Non-controlling interests                   | 419.260                      | 3.550                 | -          | 422.810    |

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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 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 2024     |                       |            |           |
|--|------------------------------|-----------------------|------------|-----------|
|  | Engineering<br>& Contracting | Agricultural Industry | Investment | Total     |
| Capital expenditures                                     | 222.949                      | 589.367               | 43.959     | 856.275   |
| Depreciation and amortization expense for the period (*) | 411.204                      | 534.212               | 45.698     | 991.114   |
| Intra-segment revenue                                    | 834.571                      | 328.973               | 42.438     | 1.205.982 |
| Inter-segment revenue                                    | 2.937                        | 1.668                 | 189.920    | 194.525   |
|  | 1 April - 30 June 2024       |                       |            |           |
|  | Engineering<br>& Contracting | Agricultural Industry | Investment | Total     |
| Capital expenditures                                     | 58.409                       | 388.346               | 36.035     | 482.790   |
| Depreciation and amortization expense for the period (*) | 282.287                      | 239.857               | 24.953     | 547.097   |
| Intra-segment revenue                                    | 355.611                      | 152.354               | 20.016     | 527.981   |
| Inter-segment revenue                                    | 1.594                        | -                     | 91.060     | 92.654    |
|  | 1 January - 30 June 2023     |                       |            |           |
|  | Engineering<br>& Contracting | Agricultural Industry | Investment | Total     |
| Capital expenditures                                     | 517.797                      | 455.636               | 15.351     | 988.784   |
| Depreciation and amortization expense for the period (*) | 442.224                      | 498.788               | 39.962     | 980.974   |
| Intra-segment revenue                                    | 559.422                      | 280.251               | 29.870     | 869.543   |
| Inter-segment revenue                                    | -                            | 7.672                 | 160.870    | 168.542   |
|  | 1 April - 30 June 2023       |                       |            |           |
|  | Engineering<br>& Contracting | Agricultural Industry | Investment | Total     |
| Capital expenditures                                     | 213.242                      | 455.513               | 13.160     | 681.915   |
| Depreciation and amortization expense for the period (*) | 281.582                      | 238.027               | 18.783     | 538.392   |
| Intra-segment revenue                                    | 305.496                      | 133.930               | 15.027     | 454.453   |
| Inter-segment revenue                                    | -                            | 3.823                 | 75.573     | 79.396    |

(\*) Depreciation expense of 15.475 is added from the cost of inventory (30 June 2023: 3.133 added from 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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 6. SEGMENT REPORTING (cont'd)

d) Geographical segment information is as follows:

|   | Turkey      | CIS        | Middle<br>Eastern<br>Countries | Other      | Eliminations | Total      |
|---|-------------|------------|--------------------------------|------------|--------------|------------|
| Revenue (1 January - 30 June 2024)              | 22.925.658  | 1.840.119  | 4.459.965                      | 463.761    | (1.400.507)  | 28.288.996 |
| Total Assets (30 June 2024)                     | 106.481.357 | 19.578.652 | 10.902.796                     | 9.721.047  | (88.746.490) | 57.937.362 |
| Capital Expenditures (1 January - 30 June 2024) | 646.856     | 99.131     | 110.288                        | -          | -            | 856.275    |
|   | Turkey      | CIS        | Middle<br>Eastern<br>Countries | Other      | Eliminations | Total      |
| Revenue (1 April - 30 June 2024)                | 8.346.988   | 832.368    | 2.162.773                      | 149.050    | (620.635)    | 10.870.544 |
| Capital Expenditures (1 April - 30 June 2024)   | 428.629     | 36.800     | 17.361                         | -          | -            | 482.790    |
|   | Turkey      | CIS        | Middle<br>Eastern<br>Countries | Other      | Eliminations | Total      |
| Revenue (1 January - 30 June 2023)              | 22.964.998  | 2.774.971  | 6.026.281                      | 1.351.949  | (1.038.085)  | 32.080.114 |
| Total Assets (31 December 2023)                 | 112.152.065 | 22.122.290 | 14.732.835                     | 11.654.334 | (94.867.067) | 65.794.457 |
| Capital Expenditures (1 January - 30 June 2023) | 536.174     | 15.476     | 436.987                        | 147        | -            | 988.784    |
|   | Turkey      | CIS        | Middle<br>Eastern<br>Countries | Other      | Eliminations | Total      |
| Revenue (1 April - 30 June 2023)                | 10.398.210  | 1.050.009  | 3.222.182                      | 874.808    | (533.849)    | 15.011.360 |
| Capital Expenditures (1 April - 30 June 2023)   | 507.841     | 4.062      | 169.864                        | 148        | -            | 681.915    |

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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

### 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 3.714.792 (31 December 2023: 4.069.136). 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<br>2024  | 31 December<br>2023 |
|---|------------------|---------------------|
| <b>Short-term trade receivables</b>                           |                  |                     |
| Receivables from Engineering & Contracting segment operations | 4.185.157        | 6.177.343           |
| Receivables from Agricultural Industry segment operations     | 1.395.908        | 1.367.760           |
| Receivables from Investment segment operations                | 75.260           | 15.252              |
| Provision for doubtful receivables (-)                        | (323.149)        | (368.011)           |
| Retention receivables (Note: 9)                               | 219.816          | 173.549             |
| Due from related parties                                      | 150.952          | 74.554              |
| Other   | 104.969          | 38.091              |
|   | <b>5.808.913</b> | <b>7.478.538</b>    |
| <b>Long-term trade receivables</b>                            |                  |                     |
| Retention receivables (Note: 9)                               | 774.190          | 843.188             |
| Receivables from Engineering & Contracting segment operations | 344.215          | 402.127             |
|   | <b>1.118.405</b> | <b>1.245.315</b>    |

Postdated cheques amounting to 788.266 (31 December 2023: 775.620), notes receivables amounting to 19.048 (31 December 2023: 19.558), positive foreign currency differences amounting to 68.561 (31 December 2023: positive 157.512), 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 2023: None).

Average maturity date for trade receivables varies between the segments. Average maturity date for Engineering and Contracting segment, for projects in abroad is 95 days (31 December 2023: 124 days), for domestic projects is 89 days (31 December 2023: 107 days), for Agricultural Industry segment is 40 days (31 December 2023: 39 days), and for Investment segment is 30 days (31 December 2023: 30 days).

As of 30 June 2024, receivables amounting 1.128.011 was obtained from a single non-related client which constitute 16,9% of the Group's receivables (31 December 2023: 1.840.802, 25,9%).

As of 30 June 2024, 323.149 of provision for doubtful receivables was determined based on past uncollectible receivable cases encountered and future expectations (30 June 2023: 365.141).

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

|                             | 2024             | 2023             |
|-----------------------------|------------------|------------------|
| Provision as of 1 January   | (368.011)        | (322.736)        |
| Charge for the period       | (9.574)          | (916)            |
| Collected                   | 2.196            | 86               |
| Provision released          | -                | 1.376            |
| Write off of bad debt       | 1.232            | 511              |
| Currency translation effect | 39.515           | (44.112)         |
| Monetary gain               | 11.493           | 650              |
| Provision as of 30 June     | <b>(323.149)</b> | <b>(365.141)</b> |

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 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<br>2024   | 31 December<br>2023 |
|--|-------------------|---------------------|
| <u>Short-term trade payables</u>                           |                   |                     |
| Payables from Engineering & Contracting segment operations | 3.175.665         | 5.230.592           |
| Payables from Agricultural Industry segment operations     | 6.139.561         | 6.483.601           |
| Payables from Investment segment operations                | 228.339           | 260.047             |
| Due to related parties                                     | 10.379            | 113.547             |
| Retention payables (Note: 9)                               | 973.613           | 1.661.408           |
| Other  | 17.670            | 8.839               |
|  | <u>10.545.227</u> | <u>13.758.034</u>   |
| <u>Long-term trade payables</u>                            |                   |                     |
| Retention payables (Note: 9)                               | 117.288           | 51.211              |
| Payables from Engineering & Contracting segment operations | 21.744            | 45.557              |
|  | <u>139.032</u>    | <u>96.768</u>       |

Foreign currency differences amounting to 301.502 (31 December 2023: 380.775) are included in short and long-term trade payables.

For Agricultural Industry segment, payables attributable to inventory supplied through imports constitute 95% (31 December 2023: 96%) of trade payables as at balance sheet date and average payable period for these import purchases is 90 days (31 December 2023: 121 days) whereas average payable period for domestic purchases is 29 days (31 December 2023: 29 days). The average payable period for Engineering and Contracting segment is 156 days (31 December 2023: 140 days), and for Investment segment is 30 days (31 December 2023: 30 days).

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

|                                    | 30 June<br>2024    | 31 December<br>2023 |
|------------------------------------|--------------------|---------------------|
| Cost incurred on ongoing contracts | 191.426.777        | 206.220.257         |
| Recognised gain less losses (net)  | 2.834.749          | 2.782.651           |
|                                    | <u>194.261.526</u> | <u>209.002.908</u>  |
| Less: Billings to date (-)         | (194.027.796)      | (209.555.440)       |
|                                    | <u>233.730</u>     | <u>(552.532)</u>    |

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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#### 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<br>2024    | 31 December<br>2023 |
|---|--------------------|---------------------|
| Contract assets arising from ongoing construction works             | 1.791.126          | 1.349.162           |
| Contract liabilities arising from ongoing construction works        | (1.557.396)        | (1.901.694)         |
|   | <u>233.730</u>     | <u>(552.532)</u>    |
|   | 30 June<br>2024    | 31 December<br>2023 |
| <u>Contract assets arising from ongoing construction works</u>      |                    |                     |
| Contracts undersigned abroad  | 1.207.048          | 1.090.196           |
| Contracts undersigned in Turkey                                     | 584.078            | 258.966             |
|   | <u>1.791.126</u>   | <u>1.349.162</u>    |
| <u>Contract liabilities arising from ongoing construction works</u> |                    |                     |
| Contracts undersigned abroad  | (1.445.234)        | (1.795.910)         |
| Contracts undersigned in Turkey                                     | (112.162)          | (105.784)           |
|   | <u>(1.557.396)</u> | <u>(1.901.694)</u>  |
|   | <u>233.730</u>     | <u>(552.532)</u>    |

The Group has 1.038.466 of advances given to subcontractors and other suppliers for construction projects classified in short-term prepaid expenses (31 December 2023: 680.305). Also, the Group has 1.735.997 of advances received for contracting projects classified in deferred revenue (31 December 2023: 2.493.912).

As of 30 June 2024, the Group has 1.090.901 of retention payables to subcontractors (31 December 2023: 1.712.619). Also, the amount of retention receivables is 994.006 (31 December 2023: 1.016.737) (Note: 8).

#### 10. INVENTORIES

|   | 30 June<br>2024  | 31 December<br>2023 |
|---|------------------|---------------------|
| Raw materials                             | 1.795.285        | 2.254.671           |
| Work in progress                          | 1.574.790        | 3.159.001           |
| Finished goods                            | 386.882          | 576.146             |
| Trading goods                             | 591.890          | 325.675             |
| Goods in transit                          | 486.383          | 1.373.002           |
| Inventory at construction sites           | 4.097.641        | 4.390.535           |
| Other inventories                         | 331.968          | 344.806             |
| Allowance for impairment on inventory (-) | (71.191)         | (101.135)           |
|   | <u>9.193.648</u> | <u>12.322.701</u>   |

For the six month interim period ended 30 June 2024, there are no borrowing costs added to inventory (31 December 2023: None).

| <u>Movement of allowance for impairment of inventory</u> | 2024            | 2023           |
|--|-----------------|----------------|
| Provision as of 1 January                                | (101.135)       | (23.670)       |
| Provisions cancelled                                     | 19.923          | 16.473         |
| Currency translation effect                              | 10.021          | -              |
| Provision as of 30 June                                  | <u>(71.191)</u> | <u>(7.197)</u> |

All of reversal of impairment on inventory has been deducted from cost of revenue (2023: All of reversal of impairment on inventory has been deducted from cost of revenue).



# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

### 11. INVESTMENTS VALUED BY EQUITY METHOD

| Joint Ventures | Location of foundation and operation | 30 June 2024       |                  | 31 December 2023   |                  | Power to appoint | Industry     |
|----------------|--------------------------------------|--------------------|------------------|--------------------|------------------|------------------|--------------|
|                |                                      | Participation Rate | Amount           | Participation Rate | Amount           |                  |              |
| Azfen          | Azerbaijan                           | 40%                | 1.866.955        | 40%                | 2.159.339        | 40%              | Construction |
|                |                                      |                    | <u>1.866.955</u> |                    | <u>2.159.339</u> |                  |              |

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

|                                 | 2024             | 2023             |
|---------------------------------|------------------|------------------|
| Opening balance as of 1 January | 2.159.339        | 2.166.625        |
| Group's share on loss           | (61.038)         | (12.861)         |
| Currency translation effect     | (231.346)        | 327.702          |
| Closing balance as of 30 June   | <u>1.866.955</u> | <u>2.481.466</u> |

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

|  | 1 January - 30 June 2024 | 1 January - 30 June 2023 |
|--|--------------------------|--------------------------|
| Azfen  | (61.038)                 | (12.861)                 |
| Shares on loss of joint ventures valued by equity method | <u>(61.038)</u>          | <u>(12.861)</u>          |

Information related to balance sheet:

| Azfen                        | 30 June 2024     | 31 December 2023 |
|------------------------------|------------------|------------------|
| Cash and cash equivalents    | 701.805          | 981.165          |
| Other current assets         | 1.384.918        | 1.581.550        |
| Non-current assets           | 2.895.734        | 3.375.885        |
| Total Assets                 | <u>4.982.457</u> | <u>5.938.600</u> |
| Other short-term liabilities | 315.069          | 540.252          |
| Total Liabilities            | <u>315.069</u>   | <u>540.252</u>   |
| Net Assets                   | 4.667.388        | 5.398.348        |
| Group's Ownership Rate       | 40%              | 40%              |
| Group's Share on Net Assets  | <u>1.866.955</u> | <u>2.159.339</u> |

Information related to statement of profit or loss:

| Azfen                                     | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|--------------------------|------------------------|--------------------------|------------------------|
| Revenue                                   | 756.507                  | 572.007                | 2.236.836                | 1.095.949              |
| Depreciation and amortization expense (-) | (138.827)                | (59.333)               | (58.724)                 | (38.410)               |
| Operating profit                          | (144.661)                | (69.007)               | (32.053)                 | (262.799)              |
| Tax expense (-)                           | (7.934)                  | (10.867)               | (100)                    | 46.058                 |
| Loss for the Period                       | <u>(152.595)</u>         | <u>(79.874)</u>        | <u>(32.153)</u>          | <u>(216.741)</u>       |
| Group's Ownership Rate                    | 40%                      | 40%                    | 40%                      | 40%                    |
| Group's Share on Loss for the Period      | <u>(61.038)</u>          | <u>(31.950)</u>        | <u>(12.861)</u>          | <u>(86.696)</u>        |

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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 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<br>and Equipment | Other Intangible<br>Assets | Investment<br>Property | Right-of-use<br>assets |
|--|----------------------------------|----------------------------|------------------------|------------------------|
| <b>Cost Value</b>                                |                                  |                            |                        |                        |
| Opening balance as of 1 January 2024             | 49.647.201                       | 859.574                    | 3.329.175              | 783.923                |
| Currency translation effect                      | (1.604.498)                      | (49.578)                   | (183.998)              | (33.989)               |
| Additions  | 815.061                          | 1.911                      | 39.303                 | 108.918                |
| Acquired through business combination            | 189.865                          | -                          | -                      | -                      |
| Disposals  | (525.617)                        | (2.310)                    | (70.618)               | (21.589)               |
| Transfers  | (673)                            | 673                        | -                      | -                      |
| Closing balance as of 30 June 2024               | 48.521.339                       | 810.270                    | 3.113.862              | 837.263                |
| <b>Accumulated Depreciation and Amortization</b> |                                  |                            |                        |                        |
| Opening balance as of 1 January 2024             | (30.374.752)                     | (673.604)                  | (1.311.573)            | (279.934)              |
| Currency translation effect                      | 1.218.066                        | 44.534                     | 110.735                | 12.454                 |
| Charge for the period                            | (804.589)                        | (18.255)                   | (31.181)               | (152.564)              |
| Disposals  | 457.071                          | 2.310                      | 48.327                 | 18.985                 |
| Transfers  | 8                                | (8)                        | -                      | -                      |
| Closing balance as of 30 June 2024               | (29.504.196)                     | (645.023)                  | (1.183.692)            | (401.059)              |
| Carrying value as of 30 June 2024                | 19.017.143                       | 165.247                    | 1.930.170              | 436.204                |
| <b>Cost Value</b>                                |                                  |                            |                        |                        |
| Opening balance as of 1 January 2023             | 50.199.575                       | 875.619                    | 3.346.612              | 449.321                |
| Currency translation effect                      | 2.741.831                        | 75.044                     | (159.036)              | 341.809                |
| Additions  | 978.323                          | 2.622                      | 7.839                  | 267.997                |
| Disposals  | (427.589)                        | (199)                      | -                      | (47.685)               |
| Closing balance as of 30 June 2023               | 53.492.140                       | 953.086                    | 3.195.415              | 1.011.442              |
| <b>Accumulated Depreciation and Amortization</b> |                                  |                            |                        |                        |
| Opening balance as of 1 January 2023             | (30.735.649)                     | (657.648)                  | (1.256.768)            | (147.366)              |
| Currency translation effect                      | (2.148.306)                      | (68.489)                   | 61.917                 | (83.044)               |
| Charge for the period                            | (805.191)                        | (19.514)                   | (30.047)               | (129.355)              |
| Disposals  | 420.124                          | 199                        | -                      | 43.594                 |
| Closing balance as of 30 June 2023               | (33.269.022)                     | (745.452)                  | (1.224.898)            | (316.171)              |
| Carrying value as of 30 June 2023                | 20.223.118                       | 207.634                    | 1.970.517              | 695.271                |

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 Market Board. Valuation work has been concluded based on fair value of similar properties. The fair value of the investment properties as of 30 June 2024 is 4.970.153 (30 June 2023: 3.548.231) 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.

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

##### (b) Goodwill

| <u>Subsidiaries Acquired</u>                   | <u>Nature of Business</u> | <u>Date of Acquisition</u> | <u>Ratio of Shares Acquired</u> | <u>Acquisition Price</u> | <u>Goodwill</u> |
|--|---------------------------|----------------------------|---------------------------------|--------------------------|-----------------|
| Denkmal in Dahlem Otto-Hahn-Platz GmbH         | Engineering & Contracting | 30 July 2019               | 80%                             | 183.796                  | -               |
| Toros Gönen Yenilenebilir Enerji Üretim A.Ş.   | Agricultural Industry     | 31 July 2019               | 70%                             | 205.202                  | 189.577         |
| Toros Meram Yenilenebilir Enerji Üretim A.Ş.   | Agricultural Industry     | 14 February 2020           | 99,9%                           | 128.607                  | 110.534         |
| Babadağ Elektrik Üretim Sanayi ve Ticaret A.Ş. | Investments               | 30 April 2024              | 100%                            | 621.801                  | 427.196         |
|  |                           |                            |                                 | <b>1.139.406</b>         | <b>727.307</b>  |

Breakdown of the acquisition price is as follows:

|                          | <u>Denkmal Dahlem</u> | <u>Gönen Enerji</u> | <u>Meram Enerji</u> | <u>Babadağ</u> | <u>Total</u>     |
|--------------------------|-----------------------|---------------------|---------------------|----------------|------------------|
| Paid in cash             | 183.796               | 205.202             | 128.607             | 621.801        | 1.139.406        |
| <b>Acquisition price</b> | <b>183.796</b>        | <b>205.202</b>      | <b>128.607</b>      | <b>621.801</b> | <b>1.139.406</b> |

The identifiable assets and liabilities of Babadağ, purchased during the period, detailed below are temporarily reported under TFRS provisions. The main items related to assets acquired and liabilities undertaken at the acquisition dates are as follows:

|                                | <u>Denkmal Dahlem</u> | <u>Gönen Enerji</u> | <u>Meram Enerji</u> | <u>Babadağ</u> | <u>Total</u>     |
|--------------------------------|-----------------------|---------------------|---------------------|----------------|------------------|
| <b>Current assets</b>          | <b>967.612</b>        | <b>107.107</b>      | <b>105.055</b>      | <b>199.664</b> | <b>1.379.438</b> |
| Cash and cash equivalents      | 4.145                 | 67.116              | 15.753              | 157.593        | 244.607          |
| Other current assets           | 963.467               | 39.991              | 89.302              | 42.071         | 1.134.831        |
| <b>Non-current assets</b>      | <b>11.487</b>         | <b>234.016</b>      | <b>66.770</b>       | <b>191.299</b> | <b>503.572</b>   |
| Tangible and intangible assets | 11.487                | 223.040             | 66.180              | 189.866        | 490.573          |
| Other non-current assets       | -                     | 10.976              | 590                 | 1.433          | 12.999           |
| <b>Current liabilities</b>     | <b>352.689</b>        | <b>153.494</b>      | <b>153.734</b>      | <b>184.906</b> | <b>844.823</b>   |
| <b>Non-current liabilities</b> | <b>494.538</b>        | <b>165.307</b>      | <b>-</b>            | <b>11.452</b>  | <b>671.297</b>   |
| <b>Net assets</b>              | <b>131.872</b>        | <b>22.322</b>       | <b>18.091</b>       | <b>194.605</b> | <b>366.890</b>   |

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#### 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 is arisen. The goodwill arising from the acquisitions is as follows:

|                                       | <u>Denkmal Dahlem</u> | <u>Gönen Enerji</u> | <u>Meram Enerji</u> | <u>Babadağ</u> | <u>Total</u>   |
|---------------------------------------|-----------------------|---------------------|---------------------|----------------|----------------|
| Acquisition price                     | 183.796               | 205.202             | 128.607             | 621.801        | 1.139.406      |
| Non-controlling interest              | 26.374                | 6.697               | 18                  | -              | 33.089         |
| Less: Fair value of net assets of the | (131.872)             | (22.322)            | (18.091)            | (194.605)      | (366.890)      |
| Impairment (-)                        | (78.298)              | -                   | -                   | -              | (78.298)       |
| <b>Goodwill</b>                       | <b>-</b>              | <b>189.577</b>      | <b>110.534</b>      | <b>427.196</b> | <b>727.307</b> |

Net cash outflow concerning the acquisitions is as follows:

|   | <u>Denkmal Dahlem</u> | <u>Gönen Enerji</u> | <u>Meram Enerji</u> | <u>Babadağ</u> | <u>Total</u>   |
|---|-----------------------|---------------------|---------------------|----------------|----------------|
| Paid in cash  | 183.796               | 205.202             | 128.607             | 621.801        | 1.139.406      |
| Less: Cash and cash equivalents of the acquired company | (4.145)               | (67.116)            | (15.753)            | (157.593)      | (244.607)      |
| <b>Net cash outflow</b>                                 | <b>179.651</b>        | <b>138.086</b>      | <b>112.854</b>      | <b>464.208</b> | <b>894.799</b> |

Movement of Goodwill is as follows:

|   | <u>Dahlem</u>  | <u>Gönen Enerji</u> | <u>Meram Enerji</u> | <u>Babadağ</u> | <u>Total</u>   |
|---|----------------|---------------------|---------------------|----------------|----------------|
| Opening balance as of 1 January 2024      | -              | 189.577             | 110.534             | -              | 300.111        |
| Additions                                 | -              | -                   | -                   | 427.196        | 427.196        |
| <b>Closing balance as of 30 June 2024</b> | <b>-</b>       | <b>189.577</b>      | <b>110.534</b>      | <b>427.196</b> | <b>727.307</b> |
| Opening balance as of 1 January 2023      | 91.319         | 189.577             | 110.534             | -              | 391.430        |
| Currency translation effect               | 16.367         | -                   | -                   | -              | 16.367         |
| <b>Closing balance as of 30 June 2023</b> | <b>107.686</b> | <b>189.577</b>      | <b>110.534</b>      | <b>-</b>       | <b>407.797</b> |

As a result of the decrease in housing prices in Germany related to the renovation and planned sale of buildings, a provision for impairment of the entire Denkmal Dahlem goodwill has been allocated in the consolidated financial statements.

The Group has calculated the recoverable amount of goodwill arising from other acquisitions and has not determined any impairment in the year ended 30 June 2024. (31 December 2023: 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.

The weighted average cost of capital ratio as the discount factor used in the calculations for Gönen Enerji and Meram Enerji is 10,2%.

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(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

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

The Company's bank loans are reclassified as long-term whose maturities passed 30 June 2025 according to their opening dates. Annual weighted average interest rate of the existing short-term loans is 8,54% for USD, 6,03% for EUR and 38,70% for TL (31 December 2023: 9,49% for USD, 4,33% for EUR, 31,39% for TL and 8,00% QAR). Annual weighted average interest rate of the existing long-term loans is 8,57% for USD, 2,65% for EUR and 17,50% for TL (31 December 2023: 8,50% for USD and EUR 2,65%).

Within the scope of TFRS 16 Leases standard implementation, lease liabilities of 198.348 and 84.163 in the aggregate 282.511 included in short-term and long-term borrowings respectively (31 December 2023: 253.010 short-term, 118.301 long-term, in the aggregate 371.310).

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

|  | 30 June<br>2024  | 31 December<br>2023 |
|--|------------------|---------------------|
| Short-term provisions                              | 2.660.039        | 3.750.840           |
| Long-term provisions                               | 788.236          | 804.666             |
| Total provisions                                   | <u>3.448.275</u> | <u>4.555.506</u>    |
| Employment termination benefits provision          | 711.352          | 720.816             |
| Unused vacation pay liability provision            | 224.418          | 238.714             |
| Premium provision                                  | 137.335          | 215.258             |
| Total provisions attributable to employee benefits | <u>1.073.105</u> | <u>1.174.788</u>    |
| Provision for litigation                           | 50.666           | 54.451              |
| Other liability provisions                         | 2.324.504        | 3.326.267           |
| Other provisions                                   | <u>2.375.170</u> | <u>3.380.718</u>    |
| Total provisions                                   | <u>3.448.275</u> | <u>4.555.506</u>    |

|                                      | Employment<br>Termination<br>Benefits<br>Provision | Unused<br>Vacation<br>Pay Liability<br>Provision | Premium<br>Provision | Total Provisions<br>Attributable to<br>Employee Benefits |
|--------------------------------------|--|--|----------------------|--|
| Opening balance as of 1 January 2024 | 720.816  | 238.714  | 215.258              | 1.174.788  |
| Charge for the period                | 146.405  | 45.399   | 7.900                | 199.704  |
| Interest expense                     | 40.768   | -  | -                    | 40.768   |
| Actuarial loss                       | 11.920   | -  | -                    | 11.920   |
| Effect of business combinations      | 544  | 53   | -                    | 597  |
| Provision released                   | (13.112)   | (175)  | (52.935)             | (66.222)   |
| Currency translation effect          | (56.852)   | (24.445)   | (16.994)             | (98.291)   |
| Provision paid during the period     | (72.899)   | (28.266)   | (15.231)             | (116.396)  |
| Monetary gain                        | (66.238)   | (6.862)  | (663)                | (73.763)   |
| Closing balance as of 30 June 2024   | <u>711.352</u>                                     | <u>224.418</u>                                   | <u>137.335</u>       | <u>1.073.105</u>   |
| Opening balance as of 1 January 2023 | 1.004.805  | 256.344  | 297.832              | 1.558.981  |
| Charge for the period                | 63.872   | 109.563  | 168.205              | 341.640  |
| Currency translation effect          | 30.984   | 30.683   | 34.839               | 96.506   |
| Interest expense                     | 18.810   | -  | -                    | 18.810   |
| Provision released                   | -  | (273)  | (124.022)            | (124.295)  |
| Actuarial gain                       | (21.698)   | -  | -                    | (21.698)   |
| Provision paid during the period     | (206.093)  | (63.733)   | (85.219)             | (355.045)  |
| Monetary gain                        | (67.359)   | (4.858)  | (20.436)             | (92.653)   |
| Closing balance as of 30 June 2023   | <u>823.321</u>                                     | <u>327.726</u>                                   | <u>271.199</u>       | <u>1.422.246</u>   |

Monthly termination benefit pay calculated as of 30 June 2024 is subject to upper limit of 41.828,42 Turkish Lira (31 December 2023: 35.058,58 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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

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

|                                      | Provision for<br>Litigation | Other<br>Liability<br>Provisions | Total Other<br>Provisions |
|--------------------------------------|-----------------------------|----------------------------------|---------------------------|
| Opening balance as of 1 January 2024 | 54.451                      | 3.326.267                        | 3.380.718                 |
| Charge for the period                | 5.424                       | 102.175                          | 107.599                   |
| Currency translation effect          | (3.564)                     | (379.249)                        | (382.813)                 |
| Provision released                   | (709)                       | (725.454)                        | (726.163)                 |
| Provision paid during the period     | (403)                       | -                                | (403)                     |
| Monetary gain (loss)                 | (4.533)                     | 765                              | (3.768)                   |
| Closing balance as of 30 June 2024   | <u>50.666</u>               | <u>2.324.504</u>                 | <u>2.375.170</u>          |
| Opening balance as of 1 January 2023 | 56.375                      | 789.343                          | 845.718                   |
| Currency translation effect          | 4.695                       | 217.642                          | 222.337                   |
| Charge for the period                | 1.544                       | 519.640                          | 521.184                   |
| Provision paid during the period     | (408)                       | -                                | (408)                     |
| Provision released                   | (940)                       | (206.388)                        | (207.328)                 |
| Monetary gain (loss)                 | (4.296)                     | 672                              | (3.624)                   |
| Closing balance as of 30 June 2023   | <u>56.970</u>               | <u>1.320.909</u>                 | <u>1.377.879</u>          |

#### Litigations:

As of 30 June 2024, lawsuit filed against the Group is totally 2.132.505 (31 December 2023: 1.800.751) and it has been decided to accrue 50.666 (31 December 2023: 54.451) 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 Agreement ("IPPA") signed between Libya and Turkey. The partial award in the contract-based arbitration case filed with the ICC has been communicated to 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 (of which the Group's share is 243 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 settlement has been reached.

A Memorandum of Understanding ("MoU") was signed between the Republic of Turkey and the Government of National Unity of Libya on 13 August 2020 and 24 September 2020, to resolve issues arising from contracts between Turkish firms and Libyan employer agencies. Following this, the employer MMRA began discussing the termination conditions and Tekfen TML J.V.'s demands, and an agreement was reached between the parties.

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

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

#### Litigations (cont'd):

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

According to the agreement reached, the Employer is required to pay MMRA a net amount of 35.408 Thousand USD (of which the Group's share is 23.605 Thousand USD). From this amount, after deducting 12.678 Thousand USD (of which the Group's share is 8.452 Thousand USD) which is the first installment, and the amount ordered to be paid by Tekfen TML J.V. to Libya in the second arbitration, the remaining 9.013 Thousand USD (of which the Group's share is 6.009 Thousand USD) will be collected. The balance of 22.730 Thousand USD (of which the Group's share is 15.153 Thousand USD) which is an unsecured receivable, will be paid in four installments of varying amounts by 31 December 2025.

During this period, due to ongoing disputes over authority arising from appointments made by both governments to the employer MMRA and subsequently to the Central Bank, the employer MMRA requested a deferral for its overdue installment of 5.000 Thousand USD (of which the Group's share is 3.350 Thousand USD), as it was unable to meet the payment deadline. The representatives of MMRA have communicated their statements regarding the installments, and discussions to resolve the issue are ongoing.

#### Other:

For the tax audit of Rusfen LLC, which started on 28 September 2023 and covers the period from 1 January 2020 to 31 December 2022 and all types of taxes, a provision of 125.000.000 RUB (1.462.159 USD) has been included in the consolidated financial statements as of the reporting date. Additionally, according to the government decree of the Russian Federation, an examination was initiated by the Central Consumption Tax Customs Service in September 2024 for machinery and equipment whose export is prohibited, and the process is ongoing. According to the legal opinion of the lawyers, no risk of capital outflow is observed.

### 15. COMMITMENTS

The guarantee, pledge, mortgage and bill of guarantee ("GPMB") position tables of the Group as of 30 June 2024 and 31 December 2023 are as follows:

|   | Equivalent of<br>Thousands TL | <i>Thousands<br/>of US<br/>Dollars</i> | <i>Thousands<br/>of EUR</i> | <i>Other<br/>(Equivalent of<br/>Thousands TL)</i> |
|---|-------------------------------|--|-----------------------------|---|
| <b>30 June 2024</b>   |                               |  |                             |   |
| 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                       | 39.368.137                    | 773.878                                | 66.946                      | 11.612.942  |
| -Collateral   | 13.748.133                    | 236.472                                | 66.866                      | 3.636.760   |
| -Pledge   | -                             | -                                      | -                           | -   |
| -Mortgage   | -                             | -                                      | -                           | -   |
| -Bill of Collateral   | 25.620.004                    | 537.406                                | 80                          | 7.976.182   |
| C. CPMB given in order to Collateral third parties' debts for the routine trade operations            | 495                           | -                                      | -                           | 495   |
| -Collateral   | -                             | -                                      | -                           | -   |
| -Pledge   | -                             | -                                      | -                           | -   |
| -Mortgage   | -                             | -                                      | -                           | -   |
| -Bill of Collateral   | 495                           | -                                      | -                           | 495   |
| 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 2024</b>   | <b>39.370.730</b>             | <b>773.878</b>                         | <b>66.946</b>               | <b>11.615.535</b>                                 |

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

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

| 31 December 2023  | Equivalent of<br>Thousands TL | <i>Thousands<br/>of US<br/>Dollars</i> | <i>Thousands<br/>of EUR</i> | <i>Other<br/>(Equivalent of<br/>Thousands TL)</i> |
|---|-------------------------------|--|-----------------------------|---|
| A. CPMB given on behalf of its own legal entity   | 2.617                         | -                                      | -                           | 2.617   |
| -Collateral   | 2.617                         | -                                      | -                           | 2.617   |
| -Pledge   | -                             | -                                      | -                           | -   |
| -Mortgage   | -                             | -                                      | -                           | -   |
| -Bill of Collateral   | -                             | -                                      | -                           | -   |
| B. CPMB given on behalf of subsidiaries that are included in full consolidation                       | 48.165.272                    | 864.005                                | 64.438                      | 13.821.326  |
| -Collateral   | 17.099.977                    | 260.948                                | 64.438                      | 4.899.946   |
| -Pledge   | -                             | -                                      | -                           | -   |
| -Mortgage   | -                             | -                                      | -                           | -   |
| -Bill of Collateral   | 31.065.295                    | 603.057                                | -                           | 8.921.380   |
| C. CPMB given in order to Collateral third parties' debts for the routine trade operations            | 2.856                         | -                                      | -                           | 2.856   |
| -Collateral   | -                             | -                                      | -                           | -   |
| -Pledge   | -                             | -                                      | -                           | -   |
| -Mortgage   | -                             | -                                      | -                           | -   |
| -Bill of Collateral   | 2.856                         | -                                      | -                           | 2.856   |
| 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 2023</b>   | <b>48.170.745</b>             | <b>864.005</b>                         | <b>64.438</b>               | <b>13.826.799</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 2024 consist of sales of goods and services amounting 5.167 (30 June 2023: 19.600), dividend income amounting 39.162 (30 June 2023: 73.361), and other income amounting 15 (30 June 2023: 543). The remuneration of key management during the period is 51.868 (30 June 2023: 63.659).



## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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#### 17. EQUITY

##### Capital / Capital Structure Adjustment

The capital structure as of 30 June 2024 and 31 December 2023 is as follows:

| Shareholders                 | (%)    | 30 June<br>2024  | (%)    | 31 December<br>2023 |
|------------------------------|--------|------------------|--------|---------------------|
| Berker family                | 23,55% | 87.122           | 23,55% | 87.122              |
| Gökyiğit family              | 19,86% | 73.488           | 19,86% | 73.488              |
| Akçağlılar family            | 6,65%  | 24.611           | 6,65%  | 24.611              |
| Repurchased shares (*)       | 0,24%  | 904              | 0,00%  | -                   |
| Publicly traded              | 49,70% | 183.875          | 49,94% | 184.779             |
| Paid in capital              | 100%   | 370.000          | 100%   | 370.000             |
| Capital structure adjustment |        | 5.896.112        |        | 5.896.112           |
| Restated capital             |        | <u>6.266.112</u> |        | <u>6.266.112</u>    |

(\*) As of 30 June 2024, represents the shares repurchased.

##### **Repurchased Shares**

On 31 January 2024, the Board of Directors of Tekfen Holding A.Ş. evaluated that the share value of Tekfen Holding A.Ş. on Borsa İstanbul did not reflect the true performance of the company, and decided to initiate repurchase transactions of the company's shares from the stock exchange in order to contribute to a healthy price formation. As of 30 June 2024, a total of nominal 904 worth of repurchase transactions have been conducted, and the proportion of repurchased shares to the total capital is 0,24%.

#### 18. EARNINGS PER SHARE

|   | 1 January - 30 June<br>2024 | 1 April - 30 June<br>2024 | 1 January - 30 June<br>2023 | 1 April - 30 June<br>2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Average number of ordinary shares outstanding during the period (in full)     | 369.457.610                 | 369.179.592               | 370.000.000                 | 370.000.000               |
| Net profit for the period attributable to owners of the parent (Thousands TL) | 4.444                       | 579.713                   | (1.824.694)                 | 225.609                   |
| Earnings (loss) per share from continuing operations (TL)                     | 0,012                       | 1,570                     | (4,932)                     | 0,610                     |

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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### 19. OTHER OPERATING INCOME AND EXPENSES

|   | 1 January-<br>30 June<br>2024 | 1 April-<br>30 June<br>2024 | 1 January -<br>30 June<br>2023 | 1 April-<br>30 June<br>2023 |
|---|-------------------------------|-----------------------------|--------------------------------|-----------------------------|
| <b>Other operating income</b>               |                               |                             |                                |                             |
| Foreign exchange income from operations     | 787.792                       | 378.693                     | 1.072.546                      | 772.082                     |
| Due date difference income                  | 290.149                       | 126.994                     | 160.695                        | 60.999                      |
| Scrap sales income                          | 88.700                        | 24.767                      | 6.404                          | 4.324                       |
| Hedging income (Note: 21)                   | 40.690                        | 1.216                       | 187.350                        | 170.981                     |
| Discount income                             | 32.735                        | (5.738)                     | 16.791                         | 6.572                       |
| Social security premium refund income       | 21.295                        | 13.629                      | 19.770                         | 13.736                      |
| Rental income                               | 19.924                        | 3.842                       | 38.112                         | 18.333                      |
| Indemnity income                            | 5.166                         | 3.514                       | 2.905                          | 1.889                       |
| Government grants and incentives income     | 4.531                         | 1.146                       | 2.449                          | 836                         |
| Reversal of litigation provision (Note: 14) | 709                           | 652                         | 940                            | 285                         |
| Other income                                | 120.349                       | 48.528                      | 70.792                         | 23.844                      |
|   | <u>1.412.040</u>              | <u>597.243</u>              | <u>1.578.754</u>               | <u>1.073.881</u>            |
| <b>Other operating expenses (-)</b>         |                               |                             |                                |                             |
| Foreign exchange losses from operations     | (1.516.368)                   | (596.787)                   | (2.289.672)                    | (1.808.716)                 |
| Discount expenses                           | (169.438)                     | (11.523)                    | (41.375)                       | (14.953)                    |
| Hedging expenses (Note: 21)                 | (127.828)                     | (99.967)                    | (565.546)                      | (151.108)                   |
| Litigation provision (Note: 14)             | (5.424)                       | (4.653)                     | (1.544)                        | (820)                       |
| Grants and contributions                    | (1.433)                       | (929)                       | (13.597)                       | (11.094)                    |
| Penalty and damages expenses                | (945)                         | (731)                       | (541)                          | (311)                       |
| Due date difference expenses                | (86)                          | (86)                        | (48.595)                       | (9.484)                     |
| Other expenses                              | (70.378)                      | (55.611)                    | (33.061)                       | (19.006)                    |
|   | <u>(1.891.900)</u>            | <u>(770.287)</u>            | <u>(2.993.931)</u>             | <u>(2.015.492)</u>          |

### 20. FINANCIAL INCOME AND EXPENSES

|                                     | 1 January-<br>30 June<br>2024 | 1 April-<br>30 June<br>2024 | 1 January -<br>30 June<br>2023 | 1 April-<br>30 June<br>2023 |
|-------------------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------------------|
| <b>Financial income</b>             |                               |                             |                                |                             |
| Foreign exchange gains              | 301.563                       | 121.903                     | 901.174                        | 829.138                     |
| Interest income                     | 256.887                       | 130.267                     | 124.748                        | 74.403                      |
| Currency translation reserve gains  | 218.328                       | 102.550                     | 67.690                         | 61.873                      |
| Other financial income              | 3.689                         | (4.913)                     | 72.005                         | (48.317)                    |
|                                     | <u>780.467</u>                | <u>349.807</u>              | <u>1.165.617</u>               | <u>917.097</u>              |
| <b>Financial expenses (-)</b>       |                               |                             |                                |                             |
| Interest expenses                   | (536.734)                     | (248.426)                   | (378.441)                      | (192.173)                   |
| Foreign exchange losses             | (457.446)                     | (147.321)                   | (663.430)                      | (621.600)                   |
| Currency translation reserve losses | (152.441)                     | (109.537)                   | (1.459)                        | 13.645                      |
| Bank commission expenses            | (59.066)                      | (29.713)                    | (136.811)                      | (105.772)                   |
| Other financial expenses            | (120.769)                     | (54.064)                    | (10.193)                       | (8.925)                     |
|                                     | <u>(789.722)</u>              | <u>(340.635)</u>            | <u>(811.893)</u>               | <u>(722.652)</u>            |

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#### 21. DERIVATIVE INSTRUMENTS

|                                    | 30 June 2024 |             | 31 December 2023 |             |
|------------------------------------|--------------|-------------|------------------|-------------|
|                                    | Assets       | Liabilities | Assets           | Liabilities |
| Forward foreign exchange contracts | -            | 204.237     | 44.919           | 60.568      |
| Option contracts                   | -            | -           | -                | 23.928      |
| Current                            | -            | 204.237     | 44.919           | 84.496      |
|                                    | -            | 204.237     | 44.919           | 84.496      |

Currency derivatives:

The subsidiary of the Group, Toros Tarım uses foreign exchange derivatives to protect important transactions and cash flows related to foreign currency liabilities from financial risks. 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<br>2024 | 31 December<br>2023 |
|------------------------------------|-----------------|---------------------|
| Forward foreign exchange contracts | 3.823.341       | 5.275.769           |
|                                    | 3.823.341       | 5.275.769           |

As of 30 June 2024, the fair value of the Toros Tarım's currency derivatives is estimated to be 204.237 liabilities which is negative 204.237 (31 December 2023: assets 44.919, liabilities 84.496, negative 39.577). 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 2023: Level 2). There have been no changes in the purpose or use of derivative instruments.

The fair value of currency derivatives established to hedge against cash flow risk is recorded under equity. When the hedged future estimated cash flows affect profit or loss, the gains or losses from the hedging reserve are transferred to profit or loss. Gains amounting 40.690 and losses amounting to 127.828 concerning matured derivative contracts during the period have been recognized in profit or loss (30 June 2023: Gains amounting to 187.350 and losses amounting to 565.546 concerning matured derivative contracts during the period have been recognized in profit or loss).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 22. FOREIGN CURRENCY POSITION

| 30 June 2024  | Equivalent of<br>Thousands of TL | Thousands of US<br>Dollars | Thousands of EUR | Thousands of<br>GBP | Other (Equivalent of<br>Thousands of TL) |
|---|----------------------------------|----------------------------|------------------|---------------------|--|
| 1. Trade Receivables  | 2.195.649                        | 57.179                     | 4.821            | -                   | 149.326                                  |
| 2. Monetary Financial Assets  | 2.983.259                        | 86.206                     | 1.323            | 10                  | 106.554                                  |
| 3. Other  | 827.420                          | 1.933                      | 18.974           | 51                  | 95.327                                   |
| 4. CURRENT ASSETS   | 6.006.328                        | 145.318                    | 25.118           | 61                  | 351.207                                  |
| 5. Trade Receivables  | 500.146                          | -                          | 7.802            | -                   | 226.074                                  |
| 6. Monetary Financial Assets  | 1.674                            | 1                          | -                | -                   | 1.641                                    |
| 7. Other  | 135.573                          | 3.855                      | 257              | -                   | -  |
| 8. NON-CURRENT ASSETS   | 637.393                          | 3.856                      | 8.059            | -                   | 227.715                                  |
| 9. TOTAL ASSETS   | 6.643.721                        | 149.174                    | 33.177           | 61                  | 578.922                                  |
| 10. Trade Payables  | 6.486.250                        | 180.653                    | 8.491            | 16                  | 257.160                                  |
| 11. Financial Liabilities   | 1.939.296                        | 43.286                     | 14.525           | -                   | 8.141                                    |
| 12. Monetary Other Liabilities  | 1.495.014                        | 17.001                     | 15.042           | 51                  | 406.421                                  |
| 12b. Non-Monetary Other Liabilities   | 313.162                          | 526                        | 271              | -                   | 286.376                                  |
| 13. CURRENT LIABILITIES   | 10.233.722                       | 241.466                    | 38.329           | 67                  | 958.098                                  |
| 14. Trade Payables  | 13.655                           | 136                        | -                | -                   | 9.191                                    |
| 15. Financial Liabilities   | 843.371                          | 25.692                     | -                | -                   | -  |
| 16. Monetary Other Liabilities  | 84.626                           | 1.089                      | -                | -                   | 48.878                                   |
| 17. NON-CURRENT LIABILITIES   | 941.652                          | 26.917                     | -                | -                   | 58.069                                   |
| 18. TOTAL LIABILITIES   | 11.175.374                       | 268.383                    | 38.329           | 67                  | 1.016.167                                |
| 19. Net Position of Off-balance Sheet Derivative Instruments (19a-19b)                            | 3.236.663                        | 98.600                     | -                | -                   | -  |
| 19a. Derivative Assets  | 3.236.663                        | 98.600                     | -                | -                   | -  |
| 19b. Derivative Liabilities   | -                                | -                          | -                | -                   | -  |
| 20. Net Foreign Currency Assets / Liabilities Position  | (1.294.990)                      | (20.609)                   | (5.152)          | (6)                 | (437.245)                                |
| 21. Monetary Items Net Foreign Currency Assets / Liabilities position (1+2+5+6-10-11-12-14-15-16) | (5.181.484)                      | (124.471)                  | (24.112)         | (57)                | (246.196)                                |
| 22. Fair Value of Derivative Instruments Held for Hedging   | (204.237)                        | (6.222)                    | -                | -                   | -  |

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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

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

| 31 December 2023  | Equivalent of<br>Thousands of TL | Thousands of US<br>Dollars | Thousands of EUR | Thousands of<br>GBP | Other (Equivalent of<br>Thousands of TL) |
|---|----------------------------------|----------------------------|------------------|---------------------|--|
| 1. Trade Receivables  | 2.948.091                        | 54.218                     | 4.646            | -                   | 768.465                                  |
| 2. Monetary Financial Assets  | 3.513.635                        | 89.384                     | 2.968            | 13                  | 110.305                                  |
| 3. Other  | 1.767.632                        | 34.689                     | 10.992           | 22                  | 46.230                                   |
| 4. CURRENT ASSETS   | 8.229.358                        | 178.291                    | 18.606           | 35                  | 925.000                                  |
| 5. Trade Receivables  | 483.425                          | 1                          | 5.968            | -                   | 240.905                                  |
| 6. Monetary Financial Assets  | 1.766                            | 1                          | 1                | -                   | 1.689                                    |
| 7. Other  | 28.767                           | 197                        | 530              | -                   | -  |
| 8. NON-CURRENT ASSETS   | 513.958                          | 199                        | 6.499            | -                   | 242.594                                  |
| 9. TOTAL ASSETS   | 8.743.316                        | 178.490                    | 25.105           | 35                  | 1.167.594                                |
| 10. Trade Payables  | 8.838.807                        | 209.396                    | 15.622           | 57                  | 512.507                                  |
| 11. Financial Liabilities   | 3.093.068                        | 65.910                     | 16.325           | -                   | 93.562                                   |
| 12. Monetary Other Liabilities  | 2.018.920                        | 17.996                     | 23.398           | -                   | 407.439                                  |
| 12b. Non-Monetary Other Liabilities   | 391.005                          | 4.039                      | 314              | -                   | 229.937                                  |
| 13. CURRENT LIABILITIES   | 14.341.800                       | 297.341                    | 55.659           | 57                  | 1.243.445                                |
| 14. Trade Payables  | 17.846                           | 136                        | -                | -                   | 12.851                                   |
| 15. Financial Liabilities   | 83.968                           | -                          | -                | -                   | -  |
| 16. Monetary Other Liabilities  | 125.324                          | 413                        | -                | -                   | 110.159                                  |
| 17. NON-CURRENT LIABILITIES   | 227.138                          | 549                        | -                | -                   | 123.010                                  |
| 18. TOTAL LIABILITIES   | 14.568.938                       | 297.890                    | 55.659           | 57                  | 1.366.455                                |
| 19. Net Position of Off-balance Sheet Derivative Instruments (19a-19b)                            | 5.437.121                        | 148.072                    | -                | -                   | -  |
| 19a. Derivative Assets  | 5.437.121                        | 148.072                    | -                | -                   | -  |
| 19b. Derivative Liabilities   | -                                | -                          | -                | -                   | -  |
| 20. Net Foreign Currency Assets / Liabilities Position  | (388.501)                        | 28.672                     | (30.554)         | (22)                | (198.861)                                |
| 21. Monetary Items Net Foreign Currency Assets / Liabilities position (1+2+5+6-10-11-12-14-15-16) | (7.231.016)                      | (150.247)                  | (41.762)         | (44)                | (15.154)                                 |
| 22. Fair Value of Derivative Instruments Held for Hedging   | (39.577)                         | (1.078)                    | -                | -                   | -  |

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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 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 2024                                      |                                       |
|---|---|---------------------------------------|
|   | Profit / (Loss)                                   |                                       |
|   | Appreciation of<br>foreign currencies             | Depreciation of<br>foreign currencies |
|   | If US Dollars changes 5% against TL               |                                       |
| US Dollars net assets / liabilities             | (33.826)  | 33.826                                |
|   | If Euro changes 5% against TL                     |                                       |
| Euro net assets / liabilities                   | (9.049)   | 9.049                                 |
|   | If other foreign currencies changes 5% against TL |                                       |
| Other foreign currency assets / liabilities     | (21.875)  | 21.875                                |
| TOTAL   | (64.750)  | 64.750                                |
|   | 31 December 2023                                  |                                       |
|   | Profit / (Loss)                                   |                                       |
|   | Appreciation of<br>foreign currencies             | Depreciation of<br>foreign currencies |
|   | If US Dollars change 5% against TL                |                                       |
| US Dollars net assets / liabilities             | 52.641  | (52.641)                              |
|   | If Euro changes 5% against TL                     |                                       |
| Euro net assets / liabilities                   | (62.071)  | 62.071                                |
|   | If other foreign currencies change 5% against TL  |                                       |
| Other foreign currency net assets / liabilities | (9.995)   | 9.995                                 |
| TOTAL   | (19.425)  | 19.425                                |

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 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.

KKM amounting to 16.697 is classified as short-term financial investments. The relevant amount is presented at fair value (31 December 2023: 1.319.162). The fair value hierarchy is shown as Level 2.

Except for the financial investments mentioned above, there are no Eurobonds shown in short-term and long-term financial investments, respectively, are classified as financial assets measured at amortized cost (31 December 2023: short-term financial investments 36.967).

Excluding KKM and funds, the level classification of financial assets and liabilities denominated at fair value are as follows:

|   | 30 June<br>2024     | 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 | 2.296.969           | 1.027.735                             | -              | 1.269.234        |
| Fair value through profit or loss financial investments             | 1.662.261           | 8.000                                 | -              | 1.654.261        |
| <b>Total</b>  | <b>3.959.230</b>    | <b>1.035.735</b>                      | <b>-</b>       | <b>2.923.495</b> |
| <b>Financial liabilities</b>  |                     |                                       |                |                  |
| Derivative instruments  | 204.237             | -                                     | 204.237        | -                |
| <b>Total</b>  | <b>204.237</b>      | <b>-</b>                              | <b>204.237</b> | <b>-</b>         |
|   | 31 December<br>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 | 1.679.996           | 639.085                               | -              | 1.040.911        |
| Fair value through profit or loss financial investments             | 2.218.222           | 17.248                                | -              | 2.200.974        |
| Derivative instruments  | 44.919              | -                                     | 44.919         | -                |
| <b>Total</b>  | <b>3.943.137</b>    | <b>656.333</b>                        | <b>44.919</b>  | <b>3.241.885</b> |
| <b>Financial liabilities</b>  |                     |                                       |                |                  |
| Derivative instruments  | 84.496              | -                                     | 84.496         | -                |
| <b>Total</b>  | <b>84.496</b>       | <b>-</b>                              | <b>84.496</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 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

### 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 2024 | 17.248  | 2.200.974 | 639.085   | 1.040.911 | 3.898.218 |
| Additions                            | -   | 4.738     | -   | 98.199    | 102.937   |
| Fair value increase (decrease)       | (7.054)   | (306.115) | 388.650   | 221.113   | 296.594   |
| Currency translation effect          | (2.194)   | (245.336) | -   | (90.989)  | (338.519) |
| Closing balance as at 30 June 2024   | 8.000   | 1.654.261 | 1.027.735   | 1.269.234 | 3.959.230 |

|                                      | 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 | 21.928  | 2.083.558 | 667.814   | 1.502.333 | 4.275.633 |
| Additions                            | -   | 8.503     | -   | -         | 8.503     |
| Fair value increase (decrease)       | 16.840  | 207.888   | (131.860)   | (15.139)  | 77.729    |
| Disposals                            | (3.228)   | -         | -   | -         | (3.228)   |
| Currency translation effect          | 7.461   | 384.313   | -   | 215.476   | 607.250   |
| Closing balance as at 30 June 2023   | 43.001  | 2.684.262 | 535.954   | 1.702.670 | 4.965.887 |

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 2024 Fair Value</i> | <i>Unobservable Inputs</i>                    | <i>Relation Between Unobservable Inputs and Fair Value Measurement</i>  |
|---------------------------------------|--------------------------------|---|---|
| Income Approach, Discounted Cash Flow | 981.349                        | Weighted average cost of capital ratio: 12,5% | If the weighted average cost of capital ratio is increased to 13,5%, the estimated fair value decreases by 118.732; If it is decreased to 11,5%, the estimated fair value increases by 145.781. |

| <i>Valuation Method</i>               | <i>31 December 2023 Fair Value</i> | <i>Unobservable Inputs</i>                    | <i>Relation Between Unobservable Inputs and Fair Value Measurement</i>  |
|---------------------------------------|------------------------------------|---|---|
| Income Approach, Discounted Cash Flow | 952.459                            | Weighted average cost of capital ratio: 12,9% | If the weighted average cost of capital ratio is increased to 13,9%, the estimated fair value decreases by 112.141; If it is decreased to 11,9%, the estimated fair value increases by 136.560. |



# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

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

#### Non-traded fair value through other comprehensive income 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 2024 Fair Value</i> | <i>Unobservable Inputs</i>         | <i>Relation Between Unobservable Inputs and Fair Value Measurement</i>  |
|--------------------|-------------------------|--------------------------------|------------------------------------|---|
| <i>Contracting</i> | Equivalent value        | 152.274                        | Valuation multiplier : 1 - 1,44    | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 15.227, in case of a 10% decrease, the estimated fair value decreases by 15.227.   |
| <i>Agriculture</i> | Equivalent value        | 1.304.999                      | Valuation multiplier : 1,66 - 2,46 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 130.500, in case of a 10% decrease, the estimated fair value decreases by 130.500. |
| <i>Other</i>       | Equivalent value        | 196.988                        | Valuation multiplier : 0,22 - 2,94 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 19.699, in case of a 10% decrease, the estimated fair value decreases by 19.699.   |

| <i>Industry</i>    | <i>Valuation Method</i> | <i>31 December 2023 Fair Value</i> | <i>Unobservable Inputs</i>        | <i>Relation Between Unobservable Inputs and Fair Value Measurement</i>  |
|--------------------|-------------------------|------------------------------------|-----------------------------------|---|
| <i>Contracting</i> | Equivalent value        | 318.928                            | Valuation multiplier: 1 - 1,45    | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 31.893, in case of a 10% decrease, the estimated fair value decreases by 31.893.   |
| <i>Agriculture</i> | Equivalent value        | 1.661.695                          | Valuation multiplier: 2,21 - 2,46 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 166.170, in case of a 10% decrease, the estimated fair value decreases by 166.170. |
| <i>Other</i>       | Equivalent value        | 220.351                            | Valuation multiplier: 0,22 - 2,94 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 22.035, in case of a 10% decrease, the estimated fair value decreases by 22.035.   |

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

#### 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<br>(Level 3) |                  |                |                  |
|--------------------------------------|--|------------------|----------------|------------------|
|                                      | Contracting  | Agriculture      | Other          | Total            |
| Opening balance as at 1 January 2024 | 318.928  | 1.661.695        | 220.351        | 2.200.974        |
| Additions                            | 4.738  | -                | -              | 4.738            |
| Fair value change                    | (132.427)  | (173.688)        | -              | (306.115)        |
| Currency translation effect          | (38.965)   | (183.008)        | (23.363)       | (245.336)        |
| Closing balance as at 30 June 2024   | <u>152.274</u>   | <u>1.304.999</u> | <u>196.988</u> | <u>1.654.261</u> |
|                                      | Contracting  | Agriculture      | Other          | Total            |
| Opening balance as at 1 January 2023 | 342.832  | 1.423.413        | 317.313        | 2.083.558        |
| Additions                            | -  | -                | 8.503          | 8.503            |
| Fair value change                    | -  | 228.401          | (20.513)       | 207.888          |
| Currency translation effect          | 52.442   | 286.986          | 44.885         | 384.313          |
| Closing balance as at 30 June 2023   | <u>395.274</u>   | <u>1.938.800</u> | <u>350.188</u> | <u>2.684.262</u> |

#### 24. SUBSEQUENT EVENTS

Toros Taşınmaz Yatırım ve Yönetim A.Ş. has transferred all its assets and liabilities to Tekfen Taşınmaz Yatırım ve Yönetim A.Ş. on 10 September 2024.

Board of Directors' decision dated 21 March 2024, has been made for the issuance of finance bonds or bonds in Turkish Lira denomination, without public offering domestically, up to a nominal value of 1.000.000.000 within one year, in different maturities, through private placement and/or sale to qualified investors. The approval of the issuance document prepared for this purpose and the application has been made to the Capital Markets Board. The relevant amount is planned to be used in financing group activities. In this regard, a total amount up to 500.000 for sale to domestic qualified investors and private placement without public offering has been authorized by the decision of the Capital Markets Board dated 19 September 2024 and numbered 54/1461.

Our subsidiary, Tekfen İnşaat ve Tesisat A.Ş. (Tekfen İnşaat), has received notification that it has won the tender for the general construction works of the "Phosphate 3 Phase 1" project from the Saudi Arabian Mining Company (Maaden) in Saudi Arabia. The project is estimated to have a value of approximately 235 million USD (7.714.157). The project is expected to be completed within 24 months.

Tekfen İnşaat, has received notification that it has won the tender for the EPC works of the " Package-16 MGSE III: Jeddah Cluster " pipeline project from Saudi Arabian Oil Company ("Saudi Aramco") in Saudi Arabia. The project is estimated to have a value of approximately 212 million USD (6.959.154). The project is expected to be completed within 40 months.

Our shareholders have informed us that 21.775.172,17 shares, corresponding to 5,89% of Company's capital, registered in the name of the late Ali Nihat Gökyiğit, one of our founders, have been transferred equally to the accounts of the remaining two heirs at the rate of 2,945%, after the completion of the inheritance and transfer transactions.

Tekfen Ventures L.P. ,a subsidiary of the Group, made a financial investments worth 3.000.000 USD (98.479) after the balance sheet date.