NURUL İNŞAAT VE TİCARET A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 01 JANUARY - 30 JUNE 2023 TOGETHER WITH THE INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT
(ORIGINALLY ISSUED IN TURKISH)

Nurol İnşaat ve Ticaret A.Ş.

Contents

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NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT
FOR THE INTERIM PERIOD 01 JANUARY - 30 JUNE 2023

To the Shareholders and the Board of Directors of
Nurol İnşaat ve Ticaret A.Ş.
Ankara

Introduction

We have reviewed the accompanying consolidated financial statements of Nurol İnşaat ve Ticaret A.Ş. ("the Company") and its subsidiaries, (together "the Group"), which comprise the condensed consolidated interim balance sheet as at 30 June 2023 and the condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Limited Audit

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

Conclusion

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

Other Matters

The audit of the consolidated financial statements of Nurol İnşaat ve Ticaret A.Ş. for the year ended 31 December 2022 and the limited audit of the condensed consolidated financial statements for the six-month period ended 30 June 2022 were performed by another independent audit firm. An unqualified opinion was given in the independent audit report dated 9 March 2023 prepared by the independent audit firm and the audit firm has expressed that there was no matter inconsistent with TAS 34 in the limited review report dated 19 August 2022.

EREN Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International

Nazım Hikmet
Partner

İstanbul, 17 August 2023

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
AS OF 30 JUNE 2023 AND 31 DECEMBER 2022

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

ASSETS	**Notes**	**Reviewed 30 June 2023 TL**	**Reviewed 30 June 2023 USD**	**Audited 31 December 2022 TL**	**Audited 31 December 2022 USD**
Current Assets					
Cash and Cash Equivalents	5	1.249.589	48.390	1.179.831	63.098
Financial Investments	7	1.195	46	1.370	73
Trade Receivables					
- Trade Receivables Due from Related Parties	*4*	*6.538*	*253*	*882*	*47*
- Trade Receivables Due from Third Parties	*6*	*2.572.846*	*99.634*	*1.476.240*	*78.950*
Other Receivables					
- Other Receivables Due from Related Parties	*4*	*5.765*	*223*	*2.173*	*116*
- Other Receivables Due from Third Parties	*9*	*558.481*	*21.627*	*458.314*	*24.511*
Receivables from Financial Sector Activities	13	940.056	36.404	1.367.906	73.157
Inventories	10	1.677.007	64.942	889.703	47.582
Prepaid Expenses	11	70.639	2.735	77.466	4.143
Current Tax Assets	28	57.438	2.224	150.608	8.055
Other Current Assets	22	572.109	22.155	321.248	17.181
Subtotal		**7.711.663**	**298.634**	**5.925.741**	**316.913**
Available for sale financial assets	12	163.199	6.320	217.470	11.630
Total Current Assets		**7.874.862**	**304.954**	**6.143.211**	**328.543**
Non - Current Assets					
Trade Receivables					
- Trade Receivables Due from Related Parties	*4*	*9.829*	*381*	*7.119*	*381*
- Trade Receivables Due from Third Parties	*6*	--	--	--	--
Other Receivables					
- Other Receivables Due from Related Parties	*4*	*130.014*	*5.035*	*94.142*	*5.035*
- Other Receivables Due from Third Parties	*9*	*3.676*	*142*	*5.078*	*272*
Investments in Associates	14	45.497	1.762	45.497	2.433
Investments Recognized Using the Equity Method	16	25.293.259	979.482	17.551.788	938.684
Investment Properties	18	3.051.747	118.179	2.815.787	150.591
Property, Plant and Equipment	15	579.998	22.460	467.453	25.000
Intangible Assets					
-Goodwill	*17*	*23.333*	*904*	*23.333*	*1.248*
-Other Intangible Assets	*19*	*863*	*33*	*1.324*	*71*
Prepaid Expenses	11	543	21	563	--
Deferred Tax Asset	28	675.508	26.159	279.688	14.958
Prepaid Taxes and Funds	28	146.245	5.663	86.628	4.633
Total Non - Current Assets		**29.960.512**	**1.160.221**	**21.378.400**	**1.143.304**
TOTAL ASSETS		**37.835.374**	**1.465.175**	**27.521.611**	**1.471.847**

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

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

LIABILITIES	Notes	Reviewed 30 June 2023 TL	Reviewed 30 June 2023 USD	Audited 31 December 2022 TL	Audited 31 December 2022 USD
Current Liabilities					
Current Financial Liabilities	8	655.111	25.369	739.984	39.575
Trade Payables					
-Trade Payables to Related Parties	*4*	*161.518*	*6.255*	*48.963*	*2.619*
-Trade Payables to Third Parties	*6*	*3.637.649*	*140.868*	*2.869.893*	*153.484*
Liabilities for employee benefits	21	75.717	2.932	56.765	3.036
Other Payables					
-Other Payables to Related Parties	*4*	*974.737*	*37.747*	*5.062*	*271*
-Other Payables to Third Parties	*9*	*49.323*	*1.910*	*40.248*	*2.152*
Deferred Contract Revenue	13	465.776	18.037	292.221	15.628
Deferred Income	11	772.624	29.920	70.392	3.765
Current Provisions					
- Current Provisions for Employee Benefits	*21*	*49.946*	*1.934*	*37.077*	*1.983*
-Other Current Provisions	*20*	*13.827*	*535*	*25.790*	*1.379*
Other Current Liabilities	22	139.105	5.387	114.978	6.149
Total Current Liabilities		**6.995.333**	**270.894**	**4.301.373**	**230.041**

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

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

LIABILITIES	**Notes**	**Reviewed 30 June 2023 TL**	**Reviewed 30 June 2023 USD**	**Audited 31 December 2022 TL**	**Audited 31 December 2022 USD**
Non - Current Liabilities					
Non – Current Financial liabilities	8	12.773.723	494.663	10.566.445	565.102
Trade Payables					
-Trade Payables to Related Parties	*4*	--	--	--	--
-Trade Payables to Third Parties	*6*	*2.662.236*	*103.095*	*2.017.570*	*107.901*
Other Payables					
-Other Payables to Related Parties	*4*	--	--	--	--
-Other Payables to Third Parties	*9*	*47.625*	*1.844*	*23.755*	*1.270*
Deferred Income	11	559.972	21.685	330.646	17.683
Non - Current Provisions					
-Non – Current Provisions for Employee Benefits	*21*	*120.842*	*4.680*	*100.642*	*5.382*
Other Non – Current Liabilities	22	--	--	2.550	136
Deferred Tax Liabilities	28	14.111	546	190.425	10.184
Total Current Liabilities		**16.178.509**	**626.513**	**13.232.033**	**707.660**
Total Liabilities		**23.173.842**	**897.407**	**17.533.406**	**937.701**
Equity					
Equity Attributable to Owners of Parent					
Paid-in-Capital	23	900.000	34.853	900.000	48.133
Capital Adjustment Differences	23	1.471	57	1.471	79
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss					
-Losses on Remeasurements of Defined Benefit Plans	23	(14.738)	(571)	(13.837)	(740)
-Increases on Revaluation of Property, Plant and Equipment	23	670.903	25.981	670.903	35.880
-Foreign Currency Exchange Differences	23	(616.929)	(23.891)	(541.813)	(28.977)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss					
-Change in fair value of available-for-sale financial assets	23	(704)	(27)	32.427	1.734
Restricted Reserves	23	263.893	10.219	263.893	14.113
Retained Earnings		8.679.995	336.133	4.322.064	231.147
Profit for the Period		4.777.641	241.030	4.353.097	131.507
Total Equity		**14.661.532**	**623.783**	**9.988.205**	**432.878**
Translation differences		--	(56.016)	--	101.269
TOTAL LIABILITIES AND EQUITY		**37.835.374**	**1.465.175**	**27.521.611**	**1.471.847**

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

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

PROFIT OR LOSS	**Notes**	**Reviewed 1 January - 30 June 2023 TL**	**Reviewed 1 January - 30 June 2023 USD**	**Reviewed 1 January - 30 June 2022 TL**	**Reviewed 1 January - 30 June 2022 USD**
Revenue	24	5.443.826	274.638	3.123.471	188.716
Cost of Sales (-)	24	(4.563.754)	(230.239)	(2.791.140)	(168.637)
Gross Profit		**880.072**	**44.399**	**332.331**	**20.079**
General Administrative Expenses (-)		(273.097)	(13.778)	(173.373)	(10.475)
Research and Development Expenses (-)		(12.774)	(644)	(4.772)	(288)
Other Income from Operating Activities	25	42.158	2.127	6.237	377
Other Expense from Operating Activities (-)	25	(120.922)	(6.100)	(19.966)	(1.206)
Profit from Operations		**515.437**	**26.004**	**140.457**	**8.486**
Share of Profit (Loss) from Investments Using the Equity Method	16	7.741.471	390.553	4.221.251	255.042
Income from Investing Activities	26	19.821	1.000	93.280	5.636
Expense from Investing Activities (-)	26	(46)	(2)	(5.010)	(303)
Profit before Financing Income		**8.276.683**	**417.555**	**4.449.978**	**268.861**
Finance Income	27	1.101.537	55.572	259.178	15.659
Finance Expense (-)	27	(5.171.942)	(260.922)	(2.623.427)	(158.504)
Profit from Continuing Operations		**4.206.278**	**212.205**	**2.085.729**	**126.017**
Current Period Tax (Expense)	28	--	--	--	--
Deferred Tax Income	28	571.363	28.825	90.877	5.491
Profit from Continuing Operations		**4.777.641**	**241.030**	**2.176.606**	**131.507**
Profit for the Period		**4.777.641**	**241.030**	**2.176.606**	**131.507**
Profit / (Loss), Attributable to					
Non – Controlling Interests		--	--	--	--
Owners of Parent		4.777.641	241.030	2.176.606	131.507
(Losses) / Earnings Per Share		0,005308	--	0,004902	--
EBITDA		**579.759**	**29.249**	**196.170**	**11.852**

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

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

OTHER COMPREHENSIVE INCOME	Reviewed 1 January - 30 June 2023	Reviewed 1 January - 30 June 2022
Profit for the Period	**4.777.641**	**2.176.606**
Other Comprehensive Income that will not be Reclassified to Profit or Loss	**(75.836)**	**(1.224.441)**
-Increases on Revaluation of Property, Plant and Equipment	--	(46.402)
-Foreign Currency Exchange Differences	(75.116)	(1.180.653)
-Gain / Loss on Remeasurements of Defined Benefit Plans	(901)	3.098
-Tax Effect Gain / Loss on Remeasurements of Defined Benefit Plans	181	(484)
Other Comprehensive Income that will be Reclassified to Profit or Loss	**(33.131)**	**(928.371)**
-Change in fair value of available-for-sale financial assets	(33.131)	(928.371)
Other Comprehensive Income	**(108.967)**	**(2.152.812)**
Total Comprehensive Income	**4.668.674**	**23.794**
Total Comprehensive Income Attributable to	**4.668.674**	**23.794**
Non – Controlling Interests	--	--
Owners of Parent	4.668.674	23.794

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

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

	Share capital	Actuarial gain / (loss)	Revaluation and classification acquisition / (losses)	Foreign currency translation differences	Change in fair value of available-for-sale financial assets	Restricted reserves	Retained earnings	Net profit / (loss)	Equity attributable to equity holders of the parent	Non-controlling interests	Total
Balance at 01 January 2022	**445.471**	**(7.378)**	**856.131**	**877.687**	**1.076.629**	**367.203**	**875.088**	**2.222.536**	**6.713.367**	**--**	**6.713.367**
Transfers	--	--	--	--	--	(103.310)	2.325.846	(2.222.536)	--	--	--
Gain / loss on remeasurements of defined benefit plans	--	3.097	--	--	--	--	--	--	3.097	--	3.097
Revaluation of property, plant and equipment (Nurol LLC)	--	--	(46.402)	--	--	--	--	--	(46.402)	--	(46.402)
Foreign currency translation	--	--	--	(385.256)	--	--	--	--	(385.256)	--	(385.256)
Exclusion from consolidation effect	--	--	--	(795.397)	--	--	692.115	--	(103.282)	--	(103.282)
Change in fair value of available-for-sale financial assets	--	--	--	--	(928.370)	--	--	--	(928.370)	--	(928.370)
Prior year profit / loss adjustment	--	--	--	--	--	--	325	--	325	--	325
Net profit for the period	--	--	--	--	--	--	--	2.176.606	2.176.606	--	2.176.606
Balance at 30 June 2022	**445.471**	**(4.281)**	**809.729**	**(302.966)**	**148.259**	**263.893**	**3.893.374**	**2.176.606**	**7.430.085**	**--**	**7.430.085**
Balance at 01 January 2023	**901.471**	**(13.837)**	**670.903**	**(541.813)**	**32.427**	**263.893**	**4.322.064**	**4.353.097**	**9.988.205**	**--**	**9.988.205**
Transfers	--	--	--	--	--		4.353.097	(4.353.097)	--	--	--
Gain / loss on remeasurements of defined benefit plans	--	(901)	--	--	--	--	--	--	(901)	--	(901)
Foreign currency translation	--	--	--	(75.116)	--	--	--	--	(75.116)	--	(75.116)
Change in fair value of available-for-sale financial assets	--	--	--	--	(33.131)	--	--	--	(33.131)	--	(33.131)
Prior year profit / loss adjustment	--	--	--	--	--	--	4.834	--	4.834	--	4.834
Net profit for the period	--	--	--	--	--	--	--	4.777.641	4.777.641	--	4.777.641
Balance at 30 June 2023	**901.471**	**(14.738)**	**670.903**	**(616.929)**	**(704)**	**263.893**	**8.679.995**	**4.777.641**	**14.661.532**	**--**	**14.661.532**

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

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

	Reviewed 1 January - 30 June 2023	**Reviewed 1 January - 30 June 2022**
A. CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Period profit	**4.777.641**	**2.176.606**
Adjustments to Reconcile Profit (Loss)		
Adjustments to Depreciation and Amortisation Expense	64.322	55.713
Adjustments to Provisions for Doubtful Receivables	7.821	5.554
Adjustments for (Reversal of) Provisions Related with Employee Benefits	33.069	20.141
Adjustments to Provisions for Litigation	(8.861)	2.297
Adjustments to Interest Income / Expense	698.120	532.989
Adjustments for Losses (Gains) Arising from revaluation of Tangible Assets	--	(46.402)
Adjustments for Profits of Investments Accounted for Using Equity Method	(7.741.471)	(4.221.251)
Foreign Currency Translation Differences	(75.116)	(385.256)
Adjustments for Tax Expenses	(571.363)	(90.877)
Tax Effect of Actuarial Loss / Gain	181	(484)
Changes in Working Capital		
Decrease (Increase) in Inventories	(787.304)	(515.702)
Decrease (Increase) in Trade Receivables	(1.112.793)	31.674
Decrease (Increase) in Other Receivables Related to Operations	(138.229)	(49.388)
Changes in Assets from Customer Contracts	427.850	(178.801)
Decrease (Increase) in Prepaid Expenses	6.847	(25.572)
Decrease (Increase) in Other Assets Related with Operations	(250.861)	(35.782)
Increase (Decrease) in Trade Payables	1.524.977	974.103
Increase (Decrease) in Other Payables Related to Operations	1.043.149	296.730
Changes in Liabilities from Customer Contracts	173.555	37.746
Increase (Decrease) in Deferred Income	931.558	94.007
Increase (Decrease) in Employee Benefit Liabilities	(901)	3.098
Income Taxes Refund (Paid)	32.601	86.629
Other Short Term Provisions	(3.102)	2.599
B. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / Repayments from Current Borrowings	(84.873)	47.545
Proceeds / Repayments from Non-Current Borrowings	2.207.278	1.761.338
Other Adjustments	4.834	325
Interest Paid	(698.120)	(532.989)
Assets held for sale	54.271	893.712
C. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	175	11.395
Cash Flows from Acquisition / Sales of Property, Plant and Equipment, net	(170.556)	(40.177)
Cash Flows from Acquisition / Sales of Intangible Assets, net	(238)	463
Cash Flows from Acquisition / Sales of Investment Properties, net	(241.572)	(70.236)
Adjustments Related to Exclusion from Consolidation	--	(103.282)
Adjustments for Fair Value (Gains) Losses on Financial Investments	(33.131)	(928.371)
NET INCREASE (DECREASE) IN CASH AND CASH	**69.758**	**(189.906)**
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1.179.831**	**841.687**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1.249.589**	**651.781**

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

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

1. Organization and Nature of Operations of the Group

Nurol İnşaat ve Ticaret A.Ş. (“the Company” or “Nurol İnşaat”) was established in 1966 to operate mainly in the construction sector. The Group is engaged in the construction of infrastructure and superstructure projects, dams, hydroelectric power plants, hotels, housing estates, turnkey production and industrial facilities and waste water treatment facilities.

The Group is a member of Nurol Holding Group. The Group’s parent is “Nurol Holding A.Ş.” and is ultimately controlled by the “Çarmıklı” family members.

The registered office address of the Group is Büyükdere Street Nurol Plaza No: 255 Kat:19 Maslak, Sarıyer, Istanbul, Turkey. As of 30 June 2023 7.913 personnel were employed within the Group on average (31 December 2022: 8.187 personnel).

The partnership structure of Nurol Holding as of 30 June 2023 and 31 December 2022 is as follows.

	30.06.2023	Share Rate (%)	31.12.2022	Share Rate (%)
Nurol Holding A.Ş.	899.533	99,9	899.533	99,9
Nurettin Çarmıklı	137	0,03	137	0,03
Mehmet Oğuz Çarmıklı	137	0,03	137	0,03
Figen Çarmıklı	137	0,03	137	0,03
Aynur Türkan Çarmıklı	28	0,01	28	0,01
Müjgan Sevgi Kayaalp	28	0,01	28	0,01
	900.000	**100,00**	**900.000**	**100,00**

The Company's capital consists of 900.000 thousand shares, each with a nominal value of TL 1 (one Turkish Lira) (31 December 2021: 444.000 thousand shares, each with a nominal value of TL (one Turkish Lira).

The projects undertaken by the Group as of 31 December 2022 are summarized below (Note 13):

Projects in Turkey

- Eyiste Viaduct Project (Nurol İnşaat)
- Silifke - Mut Road Project (Nurol İnşaat)
- İzmir Çiğli Tramway Line Project (Nurol İnşaat)
- B1070 Test Building Construction Works Project (Nurol İnşaat)
- Ordu Highway Project Completion Works (Nurol - Yüksel - YDA - Özka Joint Venture)
- Yeşilyaka Project (Mesa - Nurol Joint Venture)
- Ümraniye - Ataşehir - Göztepe Metro Projects (Gülermak - Nurol - Makyol Joint Venture)
- Yusufeli Group Dam Bridges Completion Project (Nurol - Gülsan Joint Venture)
- Nestle Dry Pet Food Factory Construction Project (Nurol İnşaat)
- B557 Manufacturing and Research and Development Building Construction Works (Nurol İnşaat)

Projects in Algeria

- Boukhroufa Dam Project
- Souk Tleta Dam Project
- East-West-Highway – Tzi Ouzu City Highway Connection Road Project

Projects in Romania

- Nusfalau – Suplacu de Barcau 3B5 (km 66 + 500 – km 80 + 054.044) Motorway Design and Construction Works

Projects in United Arab Emirates

- Riyadh City South Phase-4 (Abu Dhabi)

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

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

Nurol L.L.C., Nurol Georgia L.L.C, Nurol İnşaat Georgia Branch, Nurol İnşaat Algeria Branch and Nurol İnşaat Romania Branch have been included in the accompanying consolidated financial statements fully and joint ventures have been included in the accompanying financial statements using the proportional consolidation method.

Otoyol Yatırım ve İşletme A.Ş. was established on 20 September 2010, in Ankara to construct, operate and transfer the Gebze-Orhangazi-Izmir Highway (including transition and connection roads of Izmir Bay) at the end of the period. The project is designed with the build - operate - transfer model. Nurol İnşaat owns 25.95% of the shares of Otoyol Yatırım ve İşletme A.Ş. (31 December 2022: 25.95%) and is listed in the accompanying consolidated financial statements under investments recognized using the equity method (Note 16).

	Branched and Joint Ventures (%)	
	30.06.2023	**31.12.2022**
Foreign Branches and Joint Ventures		
Nurol LLC	100	100
Nurol Georgia LLC.	100	100
Nurol Georgia Branch	100	100
Nurol İnşaat Algeria Branch	100	100
Nurol İnşaat Romania Branch	100	100
Domestic Branches and Joint Ventures		
Özgün - Nurol Joint Venture	50	50
Nurol - Yüksel - YDA - Özka Joint Venture	40	40
Nurol - Mesa Joint Venture	50	50
Nurol - Gülsan Joint Venture	50	50
Nurol - Gülermak - Makyol Joint Venture	33,33	33,33
Nurol - Yüksel - Özka - YDA Joint Venture	25	25
Nurol - Gülermak Joint Venture (*)	--	50

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

In the accompanying financial statements, the Company has consolidated its foreign construction companies and foreign branches fully and its joint ventures with proportional consolidation method. However, the Company has not presented consolidated financial statements to account for its subsidiaries owned more than 50% and has not applied equity accounting for those investments in which it has a shareholding between 20% - 50%. In the accompanying consolidated financial statements, the investments are carried at cost. Additionally, a separate audit report of the consolidated financial statements for Nurol Holding A.Ş., the parent company of Nurol İnşaat, is prepared.

The ongoing projects of Nurol İnşaat, its foreign branches and subsidiaries as of 30 June 2023 are as follows:

Nurol İnşaat ve Ticaret A.Ş.

Silifke-Mut Road Project

Silifke – Mut Road Project at Nurol İnşaat's responsibility, 16,7 km long 2x2 lane highway will be constructed together with tunnels and art works. According to project, a double tube highway tunnel with a total length of 6.850 m and an elevator with a length of 410 m, will be constructed by inclined hanging and balanced console method where II. Kılıç Arslan Bridge is located. The project is planned to be completed in October 2024.

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

The ongoing projects of Nurol İnşaat, its foreign branches and subsidiaries as of 30 June 2023 are as follows (continued):

Nurol İnşaat ve Ticaret A.Ş. (continued)

İzmir Çiğli Tram Line Construction Works

The Tram Line to be constructed in the Çiğili District of İzmir includes the 500-metre-long tram bridge, electromechanical works and the extension of the platforms of the stops of the Konak Tram Line. The project is expected to be completed in December 2023.

B1070 Test Building Construction Project

B1070 Test Building Construction Works, located in Kahramankazan district of Ankara, consists of construction of all infrastructure systems and connections with existing systems, in a fully functional and operational condition, and delivering to TAI. The project includes a steel construction test building with a height of 60 meters and a closed area of 14.258 m2 and a reinforced concrete administrative building. The project is scheduled to be completed in November 2023.

Nestle Dry Pet Food Factory Construction Project

Located in the Province of Balıkesir, Nestle Dry Pet Food Factory Project, tendered by Nestle Türkiye Gıda Sanayi A.Ş. includes infrastructure and road works, earthworks, ground improvement, bored pile works, completion of reinforced concrete, steel, fine and electromechanical works. The project is scheduled to be completed in February 2024.

B557 Manufacturing and Research and Development Building Construction Works (Nurol İnşaat)

The scope of the Project, where TAI is the employer and is located in Ankara's Kahramankazan district, includes infrastructure and road works, earthworks, prefabricated building works, reinforced concrete, steel, fine and electromechanical works. The carrier systems (columns, beams and floors) of the Production and R&D Building, which has a total area of 26.000 m2, consist of prefabricated elements. The project is planned to be completed in December 2023.

Nurol L.L.C.

Nurol L.L.C. was established in April 2003 in Abu Dhabi, the capital city of the United Arab Emirates as a local company. Dubai branch was opened in 2004. The main purpose of the company is to evaluate the potential in the construction sector in the region and operate in voluminous projects.

The ongoing projects of Nurol LLC as of 30 June 2023 is as follows:

Riyadh City South Phase-4

Within the scope of the project established on a land of 960 hectares, the construction and completion of infrastructure works including roads, pavements and landscaping works, street lighting, drinking water network, energy network and transformer centre, rainwater and sewage systems, irrigation networks, telecommunication, monitoring and controlling centre along with 3.199 villas and residential units are to be completed.

Nurol Georgia L.L.C.

Nurol Georgia was established in Batumi, Georgia in April 2007 to operate in the construction sector. Nurol Georgia has completed the construction of the Ministry of Internal Affairs building in Tbilisi, Sheraton Hotel in Batumi and headquarters of Nurol Georgia in Salibauri. Nurol Georgia has completed the Paravani HEPP Project under supervision of Nurol Makina Çelik in 2015.

Nurol İnşaat Georgia Branch

Nurol İnşaat Georgia Branch continues its activities in cooperation with Nurol Georgia L.L.C. The Batumi Sheraton Hotel, which was built by Nurol Georgia LLC and operated by Nurol Georgia Branch, was completed in the spring of 2010.

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

The ongoing projects of Nurol İnşaat, its foreign branches and subsidiaries as of 30 June 2023 are as follows (continued):

Nurol İnşaat Algeria Branch

Nurol İnşaat Algeria Branch was established in 2003 and the ongoing projects of Nurol LLC as of 30 June 2023 is as follows:

Boukhroufa Dam Project

The project is assumed by Nurol-Özaltın joint venture. Project scope is the construction of the dam for 125 million m3 of irrigation water supply for the agricultural field of Bouteldja city in El Tarf province. The project is scheduled for completion in February 2024.

Souk Tleta Dam Project

Project scope is the construction of Tizi Ouzou province, Draa Ben Khedda Dam construction on the 8 km Bougdoura level for Tizi Ouzou and Boumdes region for 98 million m3 irrigation and drinking water supply. The project is scheduled for completion in November 2024.

Algeria Tizi-Ouzou Road, Tunnel and Access Roads Project

The project is assumed by Özgün-Nurol-Engoa joint venture. The scope of the project is construction and landscaping works of the main roads, superstructure and infrastructure works, drainage systems of the Access road of the east-west highway at the Tizi Ouzou and Bouira provinces the project is scheduled for completion in December 2027.

Nurol Romania Branch

Design and Execution of subsection 3B; Nusfalau – Suplacu de Barcau 3B5 (km 66 + 500 – km 80 + 054.044) Motorway

The project is comprised of the construction of 5 bridges and 7 overpasses along with a 13.5 km long 2x2 lane motorway along with the design, earthworks, infrastructure relocation, sub-base, base and bituminous pavement works, bridges and overpass work. The project is planned to be completed in 24 months; 6 months design; 18 months construction. The project is planned to be completed in September 2023.

Nurol - Özgün Joint Venture

The Incorporation undertook the construction of the Connection Motorway between the East-West Highway and the City of Tzi Ouzu in Algeria with the contract signed in March 2014. Within the scope of the project, 48 km long highway connection including 3 double tube tunnels (2x2.7 km) and 25 viaducts / bridge crossings (2x10 km) will be realized.

Nurol Yüksel YDA Özka Joint Venture

Ordu Highway Completion Construction Project

The joint venture was established for the Ordu Highway Completion Construction Project's Contract, within the scope of the remaining from the main project, a motorway in the standards of a highway in the length of 21.4 km will be constructed. According to the agreement, the project is planned to be completed in October 2024.

Mesa-Nurol Joint Venture

Yeşilyaka Project

The partnership has been established for the construction of Yeşilyaka Project. Yeşilyaka, Büyükçekmece, is located on the land in size of 1,000,000 m2 in Sırtköy area is including planned villa, social facility, sale office and trade area. The project is planned to be completed in June 2024.

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

The ongoing projects of Nurol İnşaat, its foreign branches and subsidiaries as of 30 June 2023 are as follows (continued):

Nurol-Gülsan Joint Venture

Yusufeli Dam Bridge Construction Project

The partnership was established for the construction of Yusufeli Dam Bridges, and a total of 2,209 m length balanced 4 console bridges will be constructed. The project's temporary acceptance was made on 15 June 2022.

Yusufeli Dam Bridge Project Extension Works

The partnership was established for the Yusufeli Dam Bridges Extension Contract and within the scope of the project; steel deck and assembly works, bridge deck insulation, expansion joints, guardrail and pedestrian guardrail manufacturing, mastic and stone mastic asphalt construction, approach roads and fillings, approach roads retaining structures, asphalt approach roads and landslide rehabilitation mini-excavation manufacturing. The length of the work of the project is 685 meters. The steel works will be 8.000 tons in total and all protection measures will be taken and transportation and assembly will be done in accordance with the specifications. The project is planned to be completed in December 2023.

Gülermak-Nurol-Makyol Joint Venture

Ümraniye-Ataşehir-Göztepe Metro Project

The partnership was established for the construction of Ümraniye-Ataşehir-Göztepe Metro Project. The project is comprised of a total of 11 stations with 13 km length of single-line TBM tunnels, 2 railway tunnels (to be excavated with NATM method) and Dudullu-Bostancı metro line with one-line connection tunnel (with NATM method) construction, architecture works and electromechanical installations. The project is planned to be completed in January 2025.

2. Basis of Presentation of the Consolidated Financial Statements

2.1 Basis of Presentation

The Group and its subsidiaries operating in Turkey maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The condensed consolidated interim financial statements, except for land, buildings and land improvements and the financial assets and liabilities presented with their fair values, are prepared based on historical costs in TL.

The Group prepared its condensed consolidated interim financial statements for the period ended 30 June 2023 in accordance with ("TAS") 34 "Interim Financial Reporting" in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed consolidated interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Group preferred to present condensed interim financial statements. The condensed consolidated interim financial statements are presented in accordance with the "TFRS taxonomy" published by POA on 4 October 2022 and the formats specified in the Financial Statement Examples and User Guide published by CMB.

The Group's condensed consolidated interim financial statements do not include all disclosure and notes that should be included at year-end financial statements. Therefore, the condensed interim financial statements should be read together with 31 December 2022 financial statements.

Consolidated subsidiaries operating in foreign countries have prepared their financial statements in accordance with the laws and regulations of the countries in which they operate with the required adjustments and reclassifications reflected in accordance with CMB Financial Reporting Standards. These financial statements are based on the statutory records which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/TFRS.

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

2.1 Basis of Presentation (continued)

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for the companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards. Accordingly, TAS 29, “Financial Reporting in Hyperinflationary Economies” issued by the POA, has not been applied in the financial statements for the accounting year commencing from 1 January 2005.

In the announcement made by POA on 20 January 2022, companies that apply TFRS should not adjust financial statements for the year ended 31 December 2021 for TAS 29 - Financial Reporting in Hyperinflationary Economies. Afterwards, no new statement was made by the POA about the TMS 29 application, and no adjustment was made to the consolidated financial statements in accordance with TAS 29. As of the preparation date of the financial statements, POA did not make an additional announcement and no adjustment was made to the financial statements dated 30 June 2023 and 2022 and 31 December 2022 in accordance with TAS 29.

Functional and reporting presentation currency

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

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

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

- As of 30 June 2023 and 31 December 2022, assets and liabilities have been converted into TL at the relevant buying rate of the CBRT as of the balance sheet dates.
- As of 30 June 2023 and 2022, income and expenses have been converted into TL using the average exchange rates.

Translation gain/loss arising from this conversion has been included in the "foreign currency translation differences" account under equity and accounted as a separate component of other comprehensive income.

Going Concern

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

2.2 Restatement and Errors in the Accounting Policies Estimates

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

2.3 Principles of Consolidation

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

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

2.3 Principles of Consolidation (continued)

Subsidiaries

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

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

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

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

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

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

Branches

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

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

Joint ventures

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

Investments

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

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

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

2.3 Principles of Consolidation (continued)

Non-controlling interests

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

Transactions eliminated on consolidation

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

2.4 Comparative Information and Adjustment of Financial Statements of Previous Period

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

2.5 Amendments in Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the condensed consolidated financial statements as at 30 June 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2023 and thereafter.

a) Standards, amendments, and interpretations applicable as of 30 June 2023:

Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

TFRS 17, 'Insurance Contracts'; effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Amendment to TAS 12 - International tax reform - pillar two model rules; The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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

2.5 Amendments in Turkish Financial Reporting Standards (continued)

b) *Standards, amendments, and interpretations that are issued but not effective as of 30 June 2023:*

Amendment to TAS 1 – Non-current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendment to TFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

TFRS S1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local authorities. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

TFRS S2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local authorities. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

2.6 Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 5). Bank deposits with original maturities of more than three months are classified under short-term financial investments.

Related parties

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

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

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

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

i.) The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
ii.) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
iii.) Both entities are joint ventures of the same third party.
iv.) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
v.) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
vi.) The entity is controlled or jointly controlled by a person identified in (a).
vii.) personnel of the entity (or of a parent of the entity).

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

2.6 Summary of Significant Accounting Policies (continued)

Related parties (continued)

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

Revenue

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

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

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

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

<u>Income from construction contracts</u>

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

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

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

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

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

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

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

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

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

2.6 Summary of Significant Accounting Policies (continued)

Revenue (continued)

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

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

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

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

Service revenues

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

Inventories

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

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

Available for sale financial assets

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

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses for the repair of property, plant and equipment are normally charged against income. They are, however, capitalized in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

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

2.6 Summary of Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Gain or losses on disposal of property, plant and equipment are included in the related operating income or expense line item and are determined as the difference between the carrying value and amounts received.

Leased assets are subject to similar amortization procedures, as with the other tangible assets on the shorter of the related leasing period and economic life of the asset.

Cost amounts of property, plant and equipment assets excluding land and construction in progress are subject to amortization by using the straight-line method in accordance with their expected useful life. There is no depreciation allocated for lands due to indefinite useful lives.

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

	Useful Life
Buildings	10-50 years
Land improvements	5-25 years
Machinery and equipment	3-17 years
Motor vehicles	5 years
Furniture, fixtures and office equipment	4-50 years

Intangible assets and amortization

Intangible assets which are mainly software licenses are measured initially at cost. An intangible asset is recognized if it meets the identifiability criterion of intangibles, control exists over the asset; it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably.

Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line method over their estimated useful economic lives (3-5 years). The carrying values of intangible assets are reviewed for impairment when there is any event or changes in circumstances indicate that the carrying value may not be recoverable.

Software licenses

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

Intangible assets acquired

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

	Useful Life
Rights	2-6 years
Computer software	2-3 years

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

Other intangible assets are measured by deducting accumulated amortization and accumulated depreciation, if any, from other intangible assets that have been purchased by the Company and have a certain useful life.

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

2.6 Summary of Significant Accounting Policies (continued)

Intangible assets and amortization (continued)

Derecognition of intangible assets

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

Investment properties

Investment properties are properties held for the purpose of earning rent and/or value increase, and they are presented at cost less any accumulated impairment losses, if any.

Investment properties are derecognized if they are sold or become unusable and it is determined that no future economic benefits will be obtained from the sale. Gains and losses arising from the expiration of the investment property or its sale are included in the consolidated statement of profit and loss in the period they occur under income (expenses) from investment activities.

Transfers are made when there is a change in the use of investment property. For a transfer from an investment property followed on a fair value basis to an owner-occupied property, the estimated cost in post-transfer recognition is the fair value of the property at the date of the change in use. If an owner-occupied property converts to an investment property to be presented on a fair value basis, the entity applies the accounting policy applied to "Tangible Fixed Assets" until the change in use occurs.

Finance leases

The Group - as the lease

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

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

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

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

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

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

2.6 Summary of Significant Accounting Policies (continued)

Finance leases (continued)

The Group - as the lease (continued)

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

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

- When the lease liability is remeasured by discounting the revised lease payments using the revised discount rate when a change occurs in the assessment of the lease term or exercise of a purchase option.
- When the lease payments change due to changes in the index, rate, or expected payment change in the promised residual value, the restated lease payments are discounted using the initial discount rate and the lease liability is remeasured (the revised discount rate is used if the change in lease payments is due to a change in the variable interest rate).
- When a lease is changed and the lease modification is not accounted for as a separate lease, the revised lease payments are discounted using the revised discount rate and the lease liability is restated.

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

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

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

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

Group - as a lessor

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

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

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

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

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

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

2.6 Summary of Significant Accounting Policies (continued)

Borrowing costs

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

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

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

Financial instruments

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

Financial assets

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

The Group manages its financial assets (a) the business model used by the entity to manage financial assets, (b) the amortized cost at subsequent recognition based on the characteristics of the contractual cash flows of the financial asset, through fair value through other comprehensive income or at fair value through profit or loss. classifies as measured through loss. Only when an entity changes its business model for the management of financial assets, it reclassifies all affected financial assets. The reclassification of financial assets is applied prospectively from the date of reclassification. In such cases, no adjustments are made for gains, losses (including impairment gains or losses) or interest previously recognized.

Classification of financial assets

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

2.6 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(i) Amortized cost and effective interest method

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

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

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item;

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

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item; and

- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

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

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

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

Measuring and accounting for expected credit losses

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

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

Derecognition of financial assets

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

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

When derecognizing a financial asset measured at amortized cost, the difference between the carrying amount of the asset and the consideration received and receivable is recognized in profit or loss. In addition, when derecognizing a debt instrument at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the revaluation fund for that instrument is reclassified to profit or loss. If an equity instrument that the Group chooses to measure at fair value through other comprehensive income at initial recognition is derecognized, the cumulative gain or loss in the revaluation fund is not recognized in profit or loss but is transferred directly to retained earnings.

Financial liabilities

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

A financial liability is subsequently classified at amortized cost except:

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

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

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

The entity does not reclassify any financial liabilities.

Derecognition of financial liabilities

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

Derivative Financial Instruments

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

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

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

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

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

Business combinations and goodwill

Nurol İnşaat acquired 21,6% of Otoyol Yatırım İşletmesi A.Ş. in 2012. Otoyol Yatırım A.Ş. has decided to increase its capital from 250 million TL to 1 billion TL on 16 July 2013. In addition, Nurol İnşaat increased its capital share to 26,98% by purchasing some of the shares of Yüksel İnşaat A.Ş. and Göçay İnşaat Taahhüt ve Ticaret A.Ş., the other shareholders of Otoyol Yatırım ve İşletme A.Ş. During this acquisition, goodwill of 23.333 thousand TL was paid for 5% of the capital share. As of 30 June 2023, Nurol İnşaat owns 25,95% of Otoyol Yatırım ve İşletme A.Ş.

Provisions, contingent assets and liabilities

Provisions

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

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

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

Contingent Assets and Liabilities

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

Earnings / (loss) per share

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

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

Foreign currency transactions

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

	30 June 2023	31 December 2022
USD	25.8231	18,6983
EUR	28,1540	19,9349
GBP	32,8076	22,4892
DZD (Algeria)	0,19064	0,1364
GEL (Georgia)	9,8462	6,9444
AED (Arab Emirates)	6,9911	5,0627
RON (Romania)	5,6505	4,0062

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

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

2.6 Summary of Significant Accounting Policies (Continued)

Employee benefits

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

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

The severance pay liability in the accompanying consolidated financial statements has been calculated in accordance with the recognition and valuation principles specified in TAS 19 "Employee Benefits". Since the severance pay obligations are identical with the 'Specific Post-employment Benefit Plans' defined in this standard in terms of their characteristics, these liabilities have been calculated and included in the financial statements using some of the assumptions explained below. The main assumptions used as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Discount rate	21,94	22,20
Annual inflation rate	19,16	19,90

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

Government grants and incentives

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

Taxes calculated on corporate income and deferred tax

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

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

Current tax

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

Deferred tax

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

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

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

2.6 Summary of Significant Accounting Policies (Continued)

Taxes calculated on corporate income and deferred tax (continued)

Deferred tax (continued)

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

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

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

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

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

Current and Deferred Income Tax

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

Statement of cash flows

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

Cash flows from operating activities represent cash flows from the Group's ongoing construction activities.

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

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

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

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

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

2.6 Summary of Significant Accounting Policies (Continued)

EBITDA

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

Events after the reporting date

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

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

2.7 Use of Estimates

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

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

a) It uses the percentage completion rate method in the accounting of construction contracts, and since the ratio of the contract expense realized until a certain date to the estimated total cost of the contract is calculated, within the scope of TFRS 15, the total estimated costs and project profitability of the projects are determined and the loss provision calculation for the projects that are expected to end with a loss.
b) Severance pay liability is determined using actuarial assumptions (discount rates, future salary increases and employee turnover rates).
c) Provisions for litigation are determined by the management in each period by taking the opinions of the Company's legal advisors on the possible consequences of ongoing lawsuits as of the date of preparation of the financial statement, which may lead to cash outflows.
d) The Group management has made important assumptions in the determination of the useful economic lives of the tangible assets in line with the experience of the technical team.
e) The Group reviews its assets in order to set aside a provision for impairment when it is revealed that the assets may not be sold at their book value, in line with the developing events or changing conditions. If there is such an indication and the carrying value of the assets exceeds the estimated recoverable value, the assets and cash-generating units are presented at their estimated recoverable value. The recoverable value of the assets is the higher of the net selling price or value in use.
f) The impairment loss in trade receivables and other receivables is based on the Company management's assessment of the volume of trade receivables, past experiences and general economic conditions.
g) The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. These differences are generally due to the fact that the tax base amounts of some income and expense items take place in different periods in the legal financial statements and the financial statements prepared in accordance with TFRS.

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

3. Segment Reporting

30 June 2023	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Total assets	33.129.039	2.976.193	2.335.626	1.870.788	899.246	(3.375.518)	37.835.374
Total liabilities	33.129.039	2.976.193	2.335.626	1.870.788	899.246	(3.375.518)	37.835.374

31 December 2022	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Total assets	23.511.247	2.615.380	2.009.888	1.266.451	547.416	(2.428.771)	27.521.611
Total liabilities	23.511.247	2.615.380	2.009.888	1.266.451	547.416	(2.428.771)	27.521.611

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

3. Segment Reporting (Continued)

1 January – 30 June 2023	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Revenue	2.683.798	1.464.841	131.245	356.036	809.046	(1.140)	5.443.826
Cost of sales	(1.924.479)	(1.769.533)	(77.050)	(183.354)	(610.003)	665	(4.563.754)
Gross profit/(loss)	**759.319**	**(304.692)**	**54.195**	**172.682**	**199.043**	**(475)**	**880.072**
Operating expenses	(104.622)	(48.837)	(13.402)	(2.572)	(116.913)	475	(285.871)
Other operating income/(expenses), net	(102.588)	26.136	(2.312)	--	--	--	(78.764)
Operating profit / (loss)	**552.109**	**(327.393)**	**38.481**	**170.110**	**82.130**	**--**	**515.437**
Shares from profit of investments revalued with the equity method	7.741.471	--	--	--	--	--	7.741.471
Investment income/(expenses)	19.775	--	--	--	--	--	19.775
Financial income/(expenses) net	(3.826.789)	(31.719)	(10.122)	(189.748)	(12.027)	--	(4.070.405)
Profit/(loss) before tax from continued operations	**4.486.566**	**(359.112)**	**28.359**	**(19.638)**	**70.103**	**--**	**4.206.278**
Tax expense for the year	--	--	--	--	--	--	--
Deferred tax income/(expenses), net	396.232	--	175.131	--	--	--	571.363
Net profit/(loss) for the period	**4.882.798**	**(359.112)**	**203.490**	**(19.638)**	**70.103**	**--**	**4.777.641**

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

3. Segment Reporting (Continued)

1 January – 30 June 2022	Turkey	United Arab Emirates	Georgia	Algeria	Morocco	Romania	Eliminations	Total
Revenue	2.220.813	402.794	63.693	98.911	--	347.804	(10.544)	3.123.471
Cost of sales	(1.680.792)	(721.045)	(4.111)	(87.088)	--	(300.943)	2.839	(2.791.140)
Gross profit/(loss)	**540.021**	**(318.251)**	**59.582**	**11.823**	**--**	**46.861**	**(7.705)**	**332.331**
Operating expenses	(60.813)	(30.368)	(41.093)	(1.936)	(112)	(51.528)	7.705	(178.145)
Other operating income/(expenses), net	(17.255)	3.526	--	--	--		--	(13.729)
Operating profit / (loss)	**461.953**	**(345.093)**	**18.489**	**9.887**	**(112)**	**(4.667)**	**--**	**140.457**
Shares from profit of investments revalued with the equity method	4.221.757	--	--	--	--	--	--	4.221.757
Investment income/(expenses)	50.885	37.385	--	--	--	--	--	88.270
Financial income/(expenses) net	(2.205.815)	3.670	(6.714)	(20.618)	--	(9.044)	(125.728)	(2.364.249)
Profit/(loss) before tax from continued operations	**2.528.780**	**(304.038)**	**11.775**	**(10.731)**	**(112)**	**(13.711)**	**(125.728)**	**2.086.2035**
Tax expense for the year	--	--	--	--	--	--	--	--
Deferred tax income/(expenses), net	93.037	--	204	(2.364)	--	--	--	90.877
Net profit/(loss) for the period	**2.621.817**	**(304.038)**	**11.979**	**(13.095)**	**(112)**	**(13.711)**	**(125.728)**	**2.177.112**

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

4. Related Party Disclosures

a) Current trade receivables from related parties	**30.06.2023**	**31.12.2022**
Otoyol Yatırım ve İşletme A.Ş.	5.014	--
SGO İnşaat Sanayi ve Ticaret A.Ş.	1.049	--
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	394	--
Çarmıklı Family	60	878
Other	21	4
	6.538	**882**

b) Non-current trade receivables from related parties	**30.06.2023**	**31.12.2022**
Otoyol Yatırım ve İşletme A.Ş.	9.829	7.119
	9.829	**7.119**

c) Current trade payables to related parties	**30.06.2023**	**31.12.2022**
Nurol Holding A.Ş.	158.995	39.656
Nurol Grup Elektrik Toptan Sat. A.Ş.	1.018	1.671
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	518	--
Nurol Sigorta Aracılık Hizmetleri A.Ş.	320	2.613
Bosfor Turizm İşletmecilik A.Ş.	247	10
Nurol Eğt. Kültür ve Spor Vakfı	200	--
Enova Elektrik Enerjisi Toptan Satış A.Ş.	108	2.904
Botim İşletme Yönetim ve Ticaret A.Ş.	102	313
Nurol İşletme ve Gayrimenkul Yön. A.Ş.	3	31
SGO İnşaat Sanayi ve Ticaret A.Ş.	--	1.763
Other	7	2
	161.518	**48.963**

d) Other current receivables from related parties	**30.06.2023**	**31.12.2022**
Botim İşletme Yönetim ve Ticaret A.Ş.	3.734	2.133
Çarmıklı Family	928	35
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	376	--
NITCO Construction B.V.	216	--
Otoyol Yatırım ve İşletme A.Ş.	216	--
Bosfor Turizm İşletmecilik A.Ş.	153	--
SGO İnşaat Sanayi ve Ticaret A.Ş.	110	--
Other	32	5
	5.765	**2.173**

e) Other non-current receivables from related parties	**30.06.2023**	**31.12.2022**
Otoyol Yatırım İşletme A.Ş.	130.014	94.142
	130.014	**94.142**

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

4. Related Party Disclosures

f) Other current payables to related parties	**30.06.2023**	**31.12.2022**
Nurol Holding A.Ş.	974.370	4.601
Nurol Yatırım Bankası A.Ş.	258	258
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	109	--
Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş.	--	132
Otoyol Yatırım ve İşletme A.Ş.	--	71
	974.737	**5.062**

5. Cash and Cash Equivalents

	30.06.2023	**31.12.2022**
Cash on hand	9.805	6.212
Cash at banks		
- demand deposits	1.188.122	982.579
- time deposits	51.619	191.002
Credit card receivables	43	38
	1.249.589	**1.179.831**

6. Trade Receivables and Payables

	30.06.2023	**31.12.2022**
Current trade receivables		
- Nurol Algeria Branch	1.364.322	853.447
- Nurol İnşaat ve Ticaret A.Ş.	618.987	164.771
- Nurol LLC	359.905	259.372
- Nurol Gülermak Makyol Joint Venture	179.411	76.670
- Nurol Romania Branch	34.894	64.144
- Nurol Georgia Branch	9.528	4.914
- Nurol Mesa Joint Venture	4.993	2.245
- Nurol Yüksel YDA Özka Joint Venture	500	2.656
- Özgün Nurol Joint Venture	--	45.663
- Gülsan Nurol Joint Venture	--	641
- Nurol Gülermak Joint Venture	--	637
Current trade receivables from related parties (Note 4)	6.538	882
Notes receivable	306	1.080
Doubtful trade receivables	24.313	16.514
Provision for doubtful trade receivables (-)	(24.313)	(16.514)
	2.579.384	**1.477.122**

	30.06.2023	**31.12.2022**
Non-current trade receivables		
Non-current trade receivables from related parties (Note 4)	9.829	7.119
	9.829	**7.119**

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

6. Trade Receivables and Payables (Continued)

Movement of doubtful receivables is as follows:

	01.01-30.06.2023	01.01-30.06.2023
Opening balance, 01 January	**16.514**	**10.235**
Provisions during the period (Note 25)	6.034	4.839
Currency translation differences (Not 25)	2.312	702
Collections/provisions no longer required (-) (Note 25)	(547)	(38)
Closing balance, 31 December	**24.313**	**15.738**

	30.06.2023	31.12.2022
Current trade payables		
- Nurol Algeria Branch	1.829.338	1.410.603
- Nurol LLC	1.082.834	872.657
- Nurol Romania Branch	339.832	205.478
- Nurol İnşaat ve Ticaret A.Ş.	190.287	211.720
- Nurol Gülermak Makyol Joint Venture	161.041	121.302
- Gülsan Nurol Joint Venture	19.745	9.536
- Nurol Georgia	10.797	6.503
- Nurol Mesa Joint Venture	2.919	2.981
- Özgün Nurol Joint Venture	596	23.689
- Nurol Yüksel YDA Özka Joint Venture	259	182
- Nurol Yüksel Özka YDA Joint Venture	1	220
- Nurol Gülermak Joint Venture	--	5.022
Trade payables to related parties (Note 4)	161.518	48.963
	3.799.167	**2.918.856**

	30.06.2023	31.12.2022
Non-current trade payables		
Trade payables (*)	2.662.236	2.017.570
	2.662.236	**2.017.570**

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

7. Financial Investments

	30.06.2023	31.12.2022
Current		
Stock shares	1.195	1.370
	1.195	**1.370**

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

8. Financial Liabilities

Current financial liabilities	30.06.2023	31.12.2022
Current bank borrowings	555.501	516.295
Financial lease payables	13.573	121.354
Interest accruals	86.037	102.335
Total current financial liabilities	**655.111**	**739.984**

Non-current financial liabilities	30.06.2023	31.12.2022
Non-current bank borrowings	10.667.484	8.457.862
Financial lease payables	6.239	8.583
Total non-current financial liabilities	**10.673.723**	**8.466.445**
Long-term bond issues (*)	2.100.000	2.100.000
Total non-current financial liabilities	**12.773.723**	**10.566.445**
Total financial liabilities	**13.428.834**	**11.306.429**

Long-Term Bonds Issued:

(*) The Company's quarterly interest quoted on the Istanbul Stock Exchange amounting to TL 1.4 billion on 29 December 2021 with a maturity of 24 December 2024, TL 100.000 thousand on 30 May 2022 with a maturity of 23 May 2025, and TL 600.000 thousand on 07 December 2022 with a maturity of 04 December 2025 with a coupon interest rate of TLREF+600 bond issuance.

Letters of guarantee, guarantee cheques and suretyships of shareholders' and Nurol Holding given for bank loans by Nurol İnşaat are listed in Provisions, Contingent Assets and Liabilities (Note 20).

The repayment schedule of the financial liabilities are as follows:

	30.06.2023	31.12.2022
Within 1 year	655.111	739.984
1 – 2 years	9.255.358	7.775.759
2 – 3 years	3.518.365	2.790.686
	13.428.834	11.306.429

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

8. Financial Liabilities (Continued)

As of 30 June 2023 and 31 December 2022 details of current and non-current financial liabilities are as follows:

	Average interest rate%	Foreign Currency		TL Equivalent	
		30.06.2023	31.12.2022	30.06.2023	31.12.2022
Current borrowings					
- TL	19,67	238.850	272730	238.850	272.730
- USD	9,40	6.337	--	163.650	--
- EUR	10,23	5.434	--	153.001	--
Joint ventures					
Nurol LLC loans (AED)		--	48.110	--	243.565
Financial lease payables					
- - TL		5.760	--	5.760	16.236
- EUR		278	5.273	7.813	105.118
Interest accruals		--	--	86.037	102.335
				655.111	**739.984**

	Average interest rate%	Foreign Currency		TL Equivalent	
		30.06.2023	31.12.2022	30.06.2023	31.12.2022
Non-current borrowings					
- TL	19,67	4.132	--	4.132	--
- USD	9,40	47.500	25.000	1.226.598	467.458
- EUR	10,23	100.000	104.000	2.815.400	2.073.230
Joint ventures					
Nurol LLC loans (AED)		88.083	86.163	615.798	436.217
Nurol Georgia loans (GEL)		30.037	29.919	295.755	207.772
Financial lease payables					
- TL		--	8.582	--	8.582
Long term bonds issued		--	--	2.100.000	2.100.000
Reclassified financial liabilities (*)					
- TL		1.252.002	1.854.392	1.252.002	1.854.392
- USD		116.684	100.241	3.013.131	1.874.331
- EUR		51.313	77.475	1.444.668	1.544.463
				12.773.723	**10.566.445**

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

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

9. Other Receivables and Payables

	30.06.2023	31.12.2022
Other current receivables		
Due from related parties (Note 4)	5.765	2.173
Advances given to personnel	1.367	2.065
Deposits and guarantees given		
- Nurol LLC	530.520	283.479
- Nurol Romania Branch	14.605	172.184
- Nurol Algeria Branch	11.454	--
- Nurol Gülermak Makyol Joint Venture	126	126
- Nurol Gülermak Joint Venture	--	10
Other receivables	409	450
Other doubtful receivables (-)	1.615	1.593
Provision for other doubtful receivables (-)	(1.615)	(1.593)
	564.246	**460.487**

	30.06.2023	31.12.2022
Other non-current receivables		
Non-current receivables from related parties (Note 4)	130.014	94.142
Deposits and guarantees given	3.676	5.078
	133.690	**99.220**

Movement of provision for other doubtful receivables is as follows:

	01.01-30.06.2023	01.01-30.06.2023
Opening balance, 01 January	**1.593**	**156**
Provisions during the period (Note 25)	22	13
Collections/provisions no longer required (-) (Note 25)	--	--
Closing balance, 31 December	**1.615**	**169**

	30.06.2023	31.12.2022
Other current receivables		
Due from related parties (Note 4)	974.737	5.062
Deposits and guarantees given	49.079	40.206
Other	244	42
	1.024.060	**45.310**

	30.06.2023	31.12.2022
Other non-current receivables		
Due from related parties (Note 4)	--	--
Deposits and guarantees given	47.625	23.755
	47.625	**23.755**

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

10. Inventories

	30.06.2023	31.12.2022
Construction materials	124.599	146.272
Investment properties under construction		
- Mesa Nurol Yeşilyaka villas (*)	587.528	93.369
- Nurol Algeria Branch	116.574	80.488
- Nurol Romania Branch	403.341	131.473
- Nurol Gülermak Makyol Joint Venture	8.911	475
Finished goods (predominantly completed residence construction projects)		
- Nurol İnşaat ve Ticaret A.Ş.	396.749	423.286
- Nurol Georgia LLC (**)	5.837	3.887
Other inventories	3.363	3.171
- Nurol Romania Branch (***)	30.105	7.282
	1.677.007	**889.703**

(*) Mesa Nurol Yeşilyaka project 1st Stage (Protection), 2. Stage (Water), Stage 3 (production has not started) consists of villa projects. It includes 679 villas, social facilities and general areas with a total construction area of 245.426 m2.

(**) Nurol Georgia Residence project consists of 54 residences and 3 shops on 6.423 m2 construction area. Sales of 25 residences and 1 shop were realized. The remaining apartments and shops are followed under the finished goods account.

(***) The Nusfalau - Suplacu de Barcau Highway Construction Works undertaken by the Romanian Branch consists of asphalt, aggregate and filling materials within the scope.

11. Prepaid Expenses and Deferred Income

	30.06.2023	31.12.2022
Prepaid expenses in current assets		
Order advances given for inventories	45.946	52.803
Prepaid expenses (*)	24.693	24.663
	70.639	**77.466**

(*) Prepaid expenses in the amount of TL 7.587 thousand is comprised of all risk insurances made within the scope of Nurol LLC's projects which began in 2018 and is still ongoing. TL 6.997 thousand is comprised of all risk insurances made within the scope of the ongoing project in Algeria. The remaining TL 10.109 thousand is comprised of insurance expenses recorded according to the matching principle of the balance consists of insurance expenses classified in accordance with the periodicity principle.

	30.06.2023	31.12.2022
Prepaid expenses in non-current assets		
Prepaid expenses	543	543
Order advances given for property, plant and equipment	--	20
	543	**563**

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

11. Prepaid Expenses and Deferred Income

Current deferred income	**30.06.2023**	**31.12.2022**
Advances received		
- Mesa Nurol Yeşilyaka Konutları (Nurol İnşaat)	413.527	12.048
- Dubai LLC	221.844	--
- Nurol Gülermak Makyol Joint Venture	78.262	9.583
- Nurol Algeria Branch	56.298	44.035
- Other advances received	--	8
Deferred income	2.693	4.718
	772.624	**70.392**

Non-current deferred income	**30.06.2023**	**31.12.2022**
Advances received		
- Mesa Nurol Yeşilyaka Konutları (Nurol İnşaat)	559.972	330.646
	559.972	**330.646**

12. Available for Sale Financial Assets

	30.06.2023	**31.12.2022**
Stock shares	163.199	217.470
	163.199	**217.470**

(*) The Company's stock shares are comprised of Nurol GYO shares in Nurol LLC.

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

13. Receivables and Payables from Ongoing Construction and Project Contracts

		30.06.2023		31.12.2022	
	%	Receivables from Construction Contracts	Payables Related to Construction Contracts	Receivables from Construction Contracts	Payables Related to Construction Contracts
Ümraniye-Ataşehir-Göztepe Subway Project (Nurol Gülermak Makyol Joint Venture)		--	--	--	9.014
Yusufeli Group Dam Bridges Construction (Gülsan Nurol Joint Venture)		--	--	5.415	--
İzmir Çiğli Tram Line (Nurol İnşaat)		--	--	250.171	--
Silifke Mut Road Project (Nurol İnşaat)		--	--	102.536	--
Nurol LLC projects		922.865	465.776	815.352	283.207
Ordu Highway landslide reclamation supply works		17.191	--	--	--
Algeria Branch projects		--	--	194.432	--
		940.056	**465.776**	**1.367.906**	**292.221**

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

14. Investments

	Share Rate (%)		Share Amount	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	3,10	3,10	26.526	26.526
Nurol Göksu Elektrik Üretim A.Ş.	5,00	5,00	10.000	10.000
Nurol Sigorta Aracılık Hizmetleri A.Ş.	39,67	39,67	3.267	3.267
Nurol Enerji Üretim Paz. A.Ş.	0,05	0,05	2.864	2.864
Otoyol Deniz Taşımacılığı A.Ş.	25,17	25,17	1.510	1.510
Otoyol İşletme ve Bakım A.Ş.	25,95	25,95	1.298	1.298
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.	0,13	0,13	23	23
Other	--	--	9	9
			45.497	45.497

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

15. Property, Plant and Equipment

	01.01.2023	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2023
Cost						
Land	16.512	--	--	6.900	--	23.412
Land improvements	1.541	48	(13)	--	--	1.576
Buildings	197.385	3.267	(3.719)	69.378	--	266.311
Machinery and equipment	825.093	54.265	(208.353)	257.413	--	928.418
Motor vehicles	132.040	486	(7.383)	38.746	--	163.889
Fixtures and fittings	157.633	2.801	(2.051)	56.762	--	215.145
Other property, plant and equipment	798.234	121	--	256.122	--	1.054.477
	2.128.438	**60.988**	**(221.519)**	**685.321**	**--**	**2.653.228**
Accumulated depreciation (-)						
Land improvements	572	54	(7)	--	--	619
Buildings	96.479	1.517	(1.102)	38.164	--	135.058
Machinery and equipment	548.195	43.015	(200.985)	179.576	--	569.801
Motor vehicles	109.631	4.445	(6.303)	25.542	--	133.315
Fixtures and fittings	133.538	1.993	(1.435)	48.951	--	183.047
Other property, plant and equipment	772.570	6.985	--	271.835	--	1.051.390
	1.660.985	**58.009**	**(209.832)**	**564.068**	**--**	**2.073.230**
Net Book Value	**467.453**					**579.998**

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

15. Property, Plant and Equipment (Continued)

	01.01.2022	Additions	Disposals	Foreign currency translation differences	Revaluation	Exclusion from consolidation	Transfer	30.06.2022
Cost								
Land	9.979	--	--	3.514	--	--	--	13.493
Land improvements	1.437	9	--	--	--	--	--	1.446
Buildings	146.358	4.525	--	35.407	--	(1.404)	467	185.353
Machinery and equipment	784.178	34.135	(153.703)	167.882	--	(545)	--	831.947
Motor vehicles	108.466	--	(3.783)	21.684	--	--	(2.756)	123.611
Fixtures and fittings	158.908	1.068	(30.460)	44.389	--	(2.079)	73	171.899
Other property, plant and equipment	566.671	132	--	97.772	--	--	2.683	667.258
Construction in progress	--	--	--	--	--	--	--	--
	1.775.997	**39.869**	**(187.946)**	**370.648**	**--**	**(4.028)**	**467**	**1.995.007**
Accumulated depreciation (-)								
Land improvements	406	46	--	--	--	--	--	452
Buildings	55.918	1.556	--	16.581	--	(1.404)	8.599	81.250
Machinery and equipment	492.873	31.512	(125.512)	120.448	44.967	(451)	(794)	563.043
Motor vehicles	74.912	2.701	(3.769)	15.346	1.436	--	(2.774)	87.852
Fixtures and fittings	133.193	2.369	(25.517)	38.104	--	(310)	150	147.989
Other property, plant and equipment	537.527	11.702	--	91.209	--	--	2.524	642.962
	1.294.829	**49.886**	**(154.798)**	**281.688**	**46.403**	**(2.165)**	**7.705**	**1.523.548**
Net Book Value	**481.168**							**471.459**

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

15. Property, Plant and Equipment (Continued)

The distribution of depreciation and amortization charges is as follows:

	01.01-30.06.2023	**01.01-30.06.2022**
Investment properties (Note 18)	5.613	5.670
Property, plant and equipment	58.009	49.886
Intangible assets (Note 19)	700	157
	64.322	**55.713**

	01.01-30.06.2023	**01.01-30.06.2022**
Cost of sales	34.450	34.158
General administrative expenses	29.872	21.555
	64.322	**55.713**

16. Investments Recognized Using the Equity Method

Otoyol Yatırım ve İşletme A.Ş., which is valued by the Group's equity method and owns 25,95% (31 December 2022: 25,95%), has a total equity value of TL 97.469.206 thousand as of 30 June 2023 (31 December 2022: TL 67.636.947 thousand), and Otoyol Yatırım ve İşletme A.Ş.'s registered value in Nurol İnşaat as of 30 June 2023 is TL 25.293.259 thousand (31 December 2022 is TL 17.551.788 thousand).

For the accounting periods ending on 30 June 2023 and 2022, the share of the Group's investment in the profits valued by the equity method is TL 7.741.471 thousand and TL 4.221.251 thousand, respectively.

17. Goodwill

Goodwill included in the consolidated financial statements as of 30 June 2023 and 31 December 2022 is related to the purchase of shares of Otoyol Yatırım İşletme A.Ş. in 2013. The Group purchased shares of Yüksel İnşaat A.Ş. and Göçay İnşaat Taahhüt ve Ticaret A.Ş. which are investors in Otoyol Yatırım ve İşletme A.Ş. and goodwill in the amount of TL 23.333 thousand has been paid.

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

18. Investment Properties

	01.01.2023	Additions	Disposals	Foreign currency translation differences	30.06.2023
Cost					
Land	512.387	--	--	--	512.387
Buildings	565.254	--	(1.706)	--	563.548
Georgia Batumi Sheraton Hotel	1.806.257	--	--	243.102	2.049.359
	2.883.898	**--**	**(1.706)**	**243.102**	**3.125.294**
Accumulated depreciation (-)					
Buildings	67.380	5.613	(177)	--	72.816
Georgia Batumi Sheraton Hotel	731	--	--	--	731
	68.111	**5.613**	**(177)**	**--**	**73.547**
Net Book Value	**2.815.787**				**3.051.747**

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

18. Investment Properties (Continued)

	01.01.2022	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2022
Cost						
Land	610.854	--	--	--	--	610.854
Buildings	577.311	769	(7.056)	--	(467)	570.557
Georgia Batumi Sheraton Hotel	674.088	--	--	122.031	--	796.119
	1.862.253	**769**	**(7.056)**	**122.031**	**(467)**	**1.977.530**
Accumulated depreciation (-)						
Buildings	61.722	5.670	(159)	--	(7.705)	59.528
Georgia Batumi Sheraton Hotel	151.065	--	--	52.905	--	203.970
	212.787	**5.670**	**(159)**	**52.905**	**(7.705)**	**263.498**
Net Book Value	**1.649.466**					**1.714.032**

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

19. Intangible Assets

	01.01.2023	Additions	Foreign currency translation differences	Disposals	30.06.2023
Cost					
Rights	3.952	151	307	--	4.410
Other intangible assets	226	--	--	--	226
	4.178	**151**	**307**	**--**	**4.636**
Accumulated amortization (-)					
Rights	2.630	700	219	--	3.549
Other intangible assets	224	--	--	--	224
	2.854	**700**	**219**	**--**	**3.773**
Net Book Value	**1.324**				**863**

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

19. Intangible Assets (Continued)

	01.01.2022	Additions	Foreign currency translation differences	Disposals	Exclusion from consolidation	30.06.2022
Cost						
Rights	4.342	32	114	(129)	(2.219)	2.140
Other intangible assets	226	--	--	--	--	226
	4.568	**32**	**114**	**(129)**	**(2.219)**	**2.366**
Accumulated amortization (-)						
Rights	3.302	157	83	(131)	(1.691)	1.720
Other intangible assets	224	--	--	--	--	224
	3.526	**157**	**83**	**(131)**	**(1.691)**	**1.944**
Net Book Value	**1.042**					**422**

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

20. Provisions, Contingent Assets and Liabilities

Current provisions	**30.06.2023**	**31.12.2022**
Provision for litigation	13.827	22.688
Other	--	3.102
	13.827	**25.790**

As of 30 June 2023 and 31 December 2022, the movement of provision for lawsuits is as follows:

	01.01-30.06.2023	**01.01-30.06.2022**
Opening balance, 01 January	**22.688**	**14.504**
Additional provision for the period (Note 25)	404	2.785
Provisions no longer required (-) (Note 25)	(9.265)	(488)
Closing balance, 31 December	**13.827**	**16.801**

	30.06.2023	**31.12.2022**
Legal cases in favor of the Group	80.865	6.310
Legal cases against the Group	65.780	91.913

As of 30 June 2023, the total amount of pending lawsuits against the Group is approximately TL 65.780 thousand (31 December 2022: TL 91.913 thousand). As of 30 June 2023, the Group has set a provision in the amount of TL 13.827 thousand (31 December 2022: TL 22.688 thousand) according to the opinion of its legal counsel.

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

	30.06.2023		**31.12.2022**	
	Original Currency	**TL Equivalent**	**Original Currency**	**TL Equivalent**
Letters of guarantee received				
- TL	--	292.398	--	94.831
- USD	8.088	208.868	12.059	225.482
- EUR	4.369	122.998	3.032	60.438
		624.264		**380.751**

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

20. Provisions, Contingent Assets and Liabilities (Continued)

As of 30 June 2023 and 31 December 2022, the Group's collateral/pledge/mortgage ("CPM") position are as follows:

		30.06.2023	31.12.2022
A	CPM's given in the name of own legal personality	16.683.413	11.610.811
B	CPM's given on behalf of the fully consolidated companies		--
C	CPM's given on behalf of third parties for ordinary course of business		--
D	Total amount of other CPM's given		--
	i. Total amount of CPM's given on behalf of the majority shareholder		--
	ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C		--
	iii. Total amount of CPM's given on behalf of third parties which are not in scope of C		--
		16.683.413	**11.610.811**

	Original Amount					30.06.2023
	TL	**USD**	**EUR**	**DZD**	**RON**	**TL Equivalent**
Letter of guarantee	1.116.443	21.920	64.497	952.281	142.254	4.483.683
Mortgages	--	292.260	--	--	--	7.547.059
Suretyship	1.357.200	56.750	65.000	--	--	4.652.671
	2.473.643	**370.930**	**129.497**	**952.281**	**142.254**	**16.683.413**

	Original Amount					31.12.2022
	TL	**USD**	**EUR**	**DZD**	**RON**	**TL Equivalent**
Letter of guarantee	452.660	43.340	87.673	949.041	83.007	3.472.772
Mortgages	--	284.010	--	--	--	5.310.504
Suretyship	1.382.200	8.000	65.000	--	--	2.827.535
	7.153.349	**335.350**	**152.673**	**949.041**	**83.007**	**11.610.811**

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

21. Employee Benefits

a) Liabilities for employee benefits

	30.06.2023	31.12.2022
Due to personnel	59.033	46.012
Social security premiums payable	16.684	10.753
	75.717	**56.765**

b) Provisions for employee benefits

	30.06.2023	31.12.2022
Current provisions	49.946	37.077
Non-current provisions	120.842	100.642
	170.788	**137.719**

b.1) Current provisions for employee benefits

	30.06.2023	31.12.2022
Unused vacation provision	49.946	37.077
	49.946	**37.077**

b.2) Non-current provisions for employee benefits

	30.06.2023	31.12.2022
Provision for employee termination benefits	120.842	100.642
	120.842	**100.642**

Provision for employee termination benefits

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

The amount payable consists of one month's salary limited to a maximum of TL 23.489,83 for each period of service at 30 June 2023 (31 December 2022: TL 19.982,83). As of 1 January 2023, the severance pay ceiling to be applied has been increased to TL 23.489,83 per month.

Retirement pay liability is not legally subject to any funding.

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

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

21. Employee Benefits (Continued)

The principal actuarial assumptions used to calculate the liability at the balance sheet date are as follows:

	30.06.2023	**31.12.2022**
Discount rate	21,94%	22,20 %
Annual inflation rate	19,16%	19,90 %

Movements in provision for severance pay for the years ended 30 June are as follows;

	01.01 – 30.06.2023	**01.01 – 30.06.2022**
Balance at, 1 January	**100.642**	**71.641**
Current year equivalent	9.104	1.314
Interest cost (Note 25)	1.721	1.067
Termination benefits paid	(11.951)	(2.284)
Actuarial (loss)	720	(2.614)
Currency translation differences	20.606	15.441
Closing balance, 31 December	**120.842**	**84.565**

Salary, bonus and similar benefits provided to senior executives

The senior management team of the Group consists of the Board of Directors, Group Presidents and Vice Presidents, General Manager and Deputy General Managers. In the year ended 30 June 2023, the total amount of short-term salaries, bonuses and other similar benefits provided to the Group's top executives is TL 10.397 thousand (31 December 2022: TL 11.902 thousand).

22. Other Assets and Liabilities

	30.06.2023	**31.12.2022**
Other current assets		
VAT carried forward	60.997	22.055
VAT receivables	173.723	71.409
Advances given for business purposes		
- Nurol İnşaat ve Ticaret A.Ş.	3.488	3.316
- Gülsan Nurol Joint Venture	29	5.603
Advances given to subcontractors		
- Nurol İnşaat ve Ticaret A.Ş.	181.835	103.748
- Nurol LLC	30.902	53.056
- Nurol Gülermak Makyol Joint Venture	101.109	48.186
- Nurol Algeria Branch	12.089	8.681
- Gülsan Nurol Joint Venture	5.578	2.500
- Nurol Romania Branch	1.415	2.024
- Nurol Yüksel Özka YDA Joint Venture	479	457
- Nurol Yüksel YDA Özka Joint Venture	2	2
Other	463	211
	572.109	**321.248**

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

22. Other Assets and Liabilities (Continued)

	30.06.2023	31.12.2022
Other current liabilities		
Taxes and funds payable		
- Nurol Algeria Branch	61.860	64.336
- Nurol İnşaat ve Ticaret A.Ş.	59.053	31.607
- Nurol Georgia	12.621	4.211
- Nurol Gülermak Makyol Joint Venture	3.045	4.897
- Nurol Mesa Joint Venture	1.317	593
- Gülsan Nurol Joint Venture	1.159	808
- Nurol Yüksel YDA Özka Joint Venture	50	8.254
- Nurol Gülermak Joint Venture	--	261
Other	--	11
	139.105	**114.978**

	30.06.2023	31.12.2022
Other current liabilities		
Nurol LLC	--	2.550
	--	**2.550**

23. Equity

a. Share Capital

	30.06.2023	Share Rate (%)	31.12.2022	Share Rate (%)
Nurol Holding A.Ş.	899.533	99,9	899.533	99,9
Nurettin Çarmıklı	137	0,03	137	0,03
Mehmet Oğuz Çarmıklı	137	0,03	137	0,03
Figen Çarmıklı	137	0,03	137	0,03
Aynur Türkan Çarmıklı	28	0,01	28	0,01
Müjgan Sevgi Kayaalp	28	0,01	28	0,01
	900.000	**100,00**	**900.000**	**100,00**
Share capital adjustment	1.471		1.471	
	901.471		**901.471**	

The issued share capital of Nurol İnşaat is comprised of 900.000 shares of par value TL 1 each.

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

23. Equity (Continued)

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

	30.06.2023	**31.12.2022**
Foreign currency translation differences	(616.929)	(541.813)
Actuarial gains/ losses	(14.738)	(13.837)
Fixed assets revaluation fund	670.903	670.903
	39.236	**115.253**

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

	30.06.2023	**31.12.2022**
Revaluation of financial assets available for sale	(704)	32.427
	(704)	**32.427**

d. Restricted Reserves

	30.06.2023	**31.12.2022**
Legal reserves	52.384	52.384
Statue reserves	57.698	57.698
Extraordinary reserves	153.811	153.811
	263.893	**263.893**

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

24. Revenue and Cost of Sales

	01.01- 30.06.2023	**01.01- 30.06.2022**
Domestic sales	1.534.172	1.210.740
Export sales	3.909.767	1.913.083
Sales discount (-)	(113)	(352)
Revenue	**5.443.826**	**3.123.471**
Cost of sales (-)	**(4.563.754)**	**(2.791.140)**
Gross profit	**880.072**	**332.331**

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

24. Revenue and Cost of Sales (Continued)

The detail of revenue is summarized as follows:

	01.01-30.06.2023	**01.01-30.06.2022**
Domestic sales		
- Nurol İnşaat ve Ticaret A.Ş. (Domestic)	1.043.648	756.130
- Nurol Gülermak Makyol Joint Venture	350.535	175.086
- Gülsan Nurol Joint Venture	76.379	28.890
- Nurol Yüksel YDA Özka Joint Venture	63.610	24.926
- Nurol Gülermak Joint Venture	--	225.708
Foreign sales		
- Nurol LLC	1.464.841	402.795
- Nurol İnşaat ve Ticaret A.Ş. (Foreign)	1.149.574	1.010.219
- Nurol Romania Branch	808.906	340.568
- Nurol Algeria Branch	355.967	95.808
- Nurol Georgia Branch	130.479	63.693
	5.443.939	**3.123.823**
Sales return (-)	(113)	(352)
	5.443.826	**3.123.471**

25. Other Operating Income and Expense

Other income from operating activities	**01.01-30.06.2023**	**01.01-30.06.2022**
Nurol Dubai LLC insurance income	26.136	2.025
Litigation provisions released (Note 20)	9.265	488
Incentive income	2.052	506
Scrap, raw material and material sales income	824	2.175
Doubtful debt provision released (Not 6)	547	38
Insurance income	--	305
Rediscount income	--	108
Other	3.334	592
	42.158	**6.237**

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

25. Other Operating Income and Expense (Continued)

Other expense from operating activities	01.01-30.06.2023	01.01-30.06.2022
Restructuring of certain receivables Law no 7440 (*)	(73.581)	--
Revaluation provision TCC article 31	(30.831)	(8.488)
Doubtful debt provision (Note 6)	(8.368)	(5.554)
Rediscount expense	(3.876)	(524)
Severance pay interest expense (Note 21)	(1.721)	(1.067)
Donation and grants	(644)	--
Provision for litigation (Not 20)	(404)	(2.785)
Insurance expense	--	(168)
Commission expense	--	(14)
Other	(1.497)	(1.366)
	(120.922)	**(19.966)**

(*) With the Law No. 7440 on the "Restructuring of Certain Receivables and Amending Certain Laws" published in the Official Gazette dated 12 March 2023 numbered 32130, as of December 2022, including previous months insurance premiums, Bağkur premiums, unemployment insurance premiums, pension deductibles and institutions provisions, social security support premium, optional insurance premium, community insurance premium, difference/missing premium due to minimum labor, administrative fine, stamp duty followed by SSI, special transaction tax and contribution to education, as well as delay penalty and late fee due to these, recourse debts, debts arising from incorrectly and improperly paid income and pensions, and premium debts not transferred to SSI by agricultural cut-offs can be restructured in cash or up to 48 equal instalments.

26. Income and Expenses from Investment Activities

Income from investing activities	01.01-30.06.2023	01.01-30.06.2022
Rent income	9.000	5.514
Profit on sales of securities	8.880	37.290
Dividend income (*)	1.941	50.476
	19.821	**93.280**

(*) Dividend income is comprised of dividends received from Nurol Sigorta Aracılık Hizmetleri A.Ş.

Expenses from investing activities	01.01-30.06.2023	01.01-30.06.2022
Loss from sale of property, plant and equipment	(46)	(5.010)
	(46)	**(5.010)**

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

27. Financial Income and Expense

Financial income	**01.01-30.06.2023**	**01.01-30.06.2022**
Foreign exchange income	1.022.207	240.413
Interest income	79.330	18.765
	1.101.537	**259.178**

Financial expense	**01.01-30.06.2023**	**01.01-30.06.2022**
Foreign exchange expenses	(3.886.249)	(1.795.765)
Interest expenses	(777.450)	(540.813)
Bond issuance interest expenses	(414.185)	(225.553)
Bank commission expenses	(83.828)	(58.408)
Letter of guarantee expenses	(10.056)	(2.877)
Profit of increase in value of marketable securities	(174)	(11)
	(5.171.942)	**(2.623.427)**

28. Taxes

Turkish Tax Legislation does not permit a parent company its subsidiaries and investments in associates to file a consolidated tax return. Therefore, tax liabilities as reflected in these consolidated financial statements have been calculated on a separate entity basis for the fully consolidated subsidiaries.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses and by deducting other exempt income. In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed at the rate of % 15, except for companies receiving dividends who are resident companies in Turkey. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

In Turkey, advance tax returns are filed on a quarterly basis at the rate of 25%, until the 14thday of the following month and paid until the 17th day. Advance tax returns files within the year are offset against corporate income tax calculated over the annual taxable corporate income.

According to the Corporate Tax Law, 50% of the capital gains arising from the sale of tangible assets and 75% of the earning from investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

As per the Law numbered 7440 "Law on Restructuring of Certain Receivables and Amendment of Certain Laws" published in the Official Gazette on 12 March 2023, the Company is required to calculate additional tax at the rate of 10% on the exemption and discount amounts deducted from corporate income in accordance with the regulations in the laws and the bases subject to reduced corporate tax, and at the rate of 5% on exempt earnings, without being associated with the period earnings, by showing in the corporate tax declaration for the year 2022.

United Arab Emirates

As of 30 June 2023, the VAT rate varies from 0% to 5% or tax-free. The rate for revenues and costs from construction works is 5%. The company is not subject to income tax or corporate tax in the U.A.E.

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

28. Taxes (Continued)

Georgia

The standard VAT rate is 18% and applies to the sale of all goods and services supplied in Georgia carried out as an economic activity. Under the new corporate tax system, income is accounted for in accordance with International Financial Reporting Standards (IFRS). The corporate tax rate in Georgia is 15%. Branch income is taxed at a general 15% rate upon distribution.

Algeria

The Group does not have any exemption on tax and pays income tax every March (corporation tax and income tax are the same). The income tax rate is 23%. The Group is to state VAT information to the tax office of the previous month, to the15th of the current month and pay till the end of the current month. The VAT rate is 19%.

As of 30 June 2023 and 2022, the tax liabilities included in the statement of profit or loss are as follows:

Tax provision in the statement of profit or loss	01.01-30.06.2023	01.01-30.06.2022
Provision for corporate tax for current period	--	--
Deferred tax income / (expense)	571.363	90.877
	571.363	**90.877**

As of 30 June 2023 and 31 December 2022, the tax liability details are as follows:

Current	30.06.2023	31.12.2022
Prepaid taxes (-) (*)	(57.438)	(150.608)
	(57.438)	**(150.608)**

(*) According to Turkish Tax Laws companies must make advance payments of corporation tax. Prepaid taxes are computed on the quarterly taxable profits reported at the rate of 25% (2022: 23%). This prepaid corporation tax can be recovered by deduction from future corporation tax liabilities. Recovery by deduction from other taxes is also possible.

Non-current	30.06.2023	31.12.2022
Prepaid taxes (-) (**)	146.245	86.628
	146.245	**86.628**

(**) In accordance with Turkish Income Tax Law No.42, 3% retention is made from each progress report issued in respect of long-term construction contracts. These retentions are recorded in prepaid taxes and are offset later on against the corporation tax liability of the accounting year in which the contract is completed.

Deferred Tax

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

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

28. Taxes (Continued)

Deferred Tax (continued)

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

Cumulative temporary differences	**30.06.2023**	**31.12.2022**
Ongoing constructions, net	2.567.151	1.057.438
Provision for litigation	13.827	22.688
Provisions for employee benefits	8.326	16.386
Doubtful debt provision	19.267	13.193
Unused vacation provision	8.656	5.994
Written off assets	15.788	15.809
Unaccrued finance expenses	2.481	1.049
Other doubtful receivables	1.697	1.593
Accrued interest on loans	--	903
Valuation of investment properties	--	(751.017)
Valuation of financial investments	(847)	(1.022)
Unaccrued finance income	(2.105)	(4.549)
Other, (net)	11.347	9.631
	2.645.588	**388.096**

Deferred tax assets / (liabilities)	**30.06.2023**	**31.12.2022**
Ongoing constructions, net	641.787	243.212
Provision for litigation	3.457	5.218
Provisions for employee benefits	2.082	3.769
Doubtful debt provision	4.817	3.034
Unused vacation provision	2.164	1.379
Written off assets	3.947	3.636
Unaccrued finance expenses	620	241
Other doubtful receivables	424	366
Accrued interest on loans	--	208
Valuation of investment properties	--	(172.734)
Valuation of financial investments	(212)	(235)
Unaccrued finance income	(526)	(1.046)
Other, (net)	2837	2.215
	661.397	**89.263**

Deferred tax assets / (liabilities)	**30.06.2023**	**31.12.2022**
Deferred tax assets	675.508	279.688
Deferred tax liabilities (-)	(14.111)	(190.425)
Deferred tax assets / (liabilities), net	**661.397**	**89.263**

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

28. Earnings per Share

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

	01.01-30.06.2023	**01.01-30.06.2022**
Profit for the period	4.777.641	2.176.606
Profit / (loss) attributable to non-controlling interest	900.000.000	444.000.000
Earnings per share	**0,005308**	**0,004902**

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

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

a) Capital Risk Management

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

	30.06.2023	**31.12.2022**
Total financial liabilities	13.428.834	11.306.429
Less: cash and cash equivalents	(1.249.589)	(1.179.831)
Net financial debt	**12.179.245**	**10.126.598**
Total equity	14.661.534	9.988.205
Less: revaluation of tangible fixed assets	(670.903)	(670.903)
Total financing used	**26.169.876**	**19.443.900**
Net financial debt / Total financing used	**47%**	**52%**

b) Financial Risk Factors

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

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

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

b) *Financial Risk Factors (continued)*

b.1) *Credit risk management*

The credit risk of the Group for each financial instrument type is as follows:

	Receivables					
	Trade Receivables		Trade Receivables			
Current period (30 June 2023)	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Bank Deposits**	**Other**
Maximum credit risk exposures as of report date						
(A+B+C+D+E)	16.367	2.572.846	135.779	562.157	1.239.784	--
-Secured part of maximum credit risk exposure via collateral etc.						
A. Net book value of the financial assets that are neither overdue nor impaired	16.367	2.572.846	135.779	562.157	1.239.784	--
B. Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired	--	--	--	--	--	--
C. Net Book Values of Impaired Assets	--	--	--	--	--	--
- Overdue (Gross Book Value)	--	24.313	--	1.615	--	--
- Impairment (-)	--	(24.313)	--	(1.615)	--	--
- Secured part via collateral etc.	--	--	--	--	--	--
- Undue (Gross Book Value)	--	--	--	--	--	--
- - Impairment (-)	--	--	--	--	--	--
- Secured part via collateral etc.	--	--	--	--	--	--
D. Off-balance sheet financial assets exposed to credit risk	--	--	--	--	--	--

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

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

b) Financial Risk Factors (continued)

b.1) Credit risk management

	Receivables					
	Trade Receivables		Trade Receivables			
Current period (31 December 2022)	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Bank Deposits**	**Other**
Maximum credit risk exposures as of report date						
(A+B+C+D+E)	8.001	1.476.240	96.315	463.392	1.173.619	--
-Secured part of maximum credit risk exposure via collateral etc.	--	--	--	--	--	--
A. Net book value of the financial assets that are neither overdue nor impaired	8.001	1.476.240	96.315	463.392	1.173.619	--
B. Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired	--	--	--	--	--	--
C. Net Book Values of Impaired Assets	--	--	--	--	--	--
- Overdue (Gross Book Value)	--	16.514	--	1.593	--	--
- Impairment (-)	--	(16.514)	--	(1.593)	--	--
- Secured part via collateral etc.	--	--	--	--	--	--
- Undue (Gross Book Value)	--	--	--	--	--	--
- - Impairment (-)	--	--	--	--	--	--
- Secured part via collateral etc.	--	--	--	--	--	--
D. Off-balance sheet financial assets exposed to credit risk	--	--	--	--	--	--

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

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

b) Financial Risk Factors (continued)

b.2) Liquidity Risk

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

Contractual Maturities		**Cash Per Contract**				
30 June 2023	**Book Value**	**Total Disposals (I+II+III+IV)**	**Less than 3 Months (I)**	**Between 3-12 Months (II)**	**Between 1-5 Years (III)**	**More than 5 Years (IV)**
Bank credits	11.309.022	11.309.022	160.384	481.154	10.667.484	--
Issues of debt securities	2.100.000	2.100.000	--	--	2.100.000	--
Finance lease obligations	19.812	19.812	3.393	10.180	6.239	--
Trade payables	6.461.403	6.461.403	--	3.799.167	2.662.236	--
Other debts	2.404.281	2.404.281	--	1.796.684	607.597	--
Total Liability	22.294.518	22.294.518	163.777	6.087.185	16.043.556	--

Contractual Maturities		**Cash Per Contract**				
31 December 2022	**Book Value**	**Total Disposals (I+II+III+IV)**	**Less than 3 Months (I)**	**Between 3-12 Months (II)**	**Between 1-5 Years (III)**	**More than 5 Years (IV)**
Bank credits	9.076.492	9.076.492	154.657	463.973	8.457.862	--
Issues of debt securities	2.100.000	2.100.000	--	--	2.100.000	--
Finance lease obligations	129.937	129.937	30.339	91.015	8.583	--
Trade payables	4.936.426	4.936.426	--	2.918.856	2.017.570	--
Other debts	470.103	470.103	--	115.702	354.401	--
Total Liability	**16.712.958**	**16.712.958**	**184.996**	**3.589.546**	**12.938.416**	**--**

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

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

b) Financial Risk Factors (continued)

b.3) Market Risk

The Group is exposed to financial risks arising from changes in currency rate, interest rate and price risk which arise directly from its operations.

The market risks that the Group is exposed to are measured on the basis of sensitivity analysis.

b.3.1) Foreign currency risk

Transactions in foreign currencies cause exchange rate risk. Currency risk is managed with forward foreign exchange purchase/sell contracts based on approved policies.

The table below summarizes the foreign monetary position risk of the Group.

	30.06.2023	**31.12.2022**
Foreign currency assets	5.028.956	2.980.187
Foreign currency liabilities	(13.384.268)	(10.036.725)
Net foreign currency position	**(8.355.312)**	**(7.056.538)**

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

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

b) Financial Risk Factors (continued)

b.3) Market Risk (continued)

b.3.1) Foreign currency risk (continued)

30.06.2023	**USD**	**EUR**	**RUB**	**DZD**	**AED**	**GEL**	**RON**	**TL Equivalent**
1. Trade receivables	6.752	290	--	7.156.536	--	9.528	4.915	1.668.432
2a. Monetary financial assets, (cash and banks)	4.303	434	278	108.128	18	41.918	41.462	791.187
2b. Non-monetary financial assets	396	32	--	63.414	--	1.752	3.751	61.662
3. Other	50.360	14.123	--	464.707	261	2.570	1.768	1.823.782
4. Current assets (1+2+3)	61.811	14.879	278	7.792.785	279	55.768	51.896	4.345.063
5. Trade receivables	386	--	--	--	--	--	--	9.968
6a. Monetary financial assets	--	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	3.209	--	--	--	612
7. Other	--	--	--	--	--	68.383	--	673.313
8. Non-current assets (5+6+7)	386	--	--	3.209	--	68.383	--	683.893
9. Total assets (4+8)	62.197	14.879	278	7.795.994	279	124.151	51.896	5.028.956
10. Trade payables	2.581	637	--	11.221.191	104	10.797	60.142	2.670.659
11. Financial liabilities	17.052	157.025	--		--	--	--	4.861.218
12a. Other monetary liabilities	5.035	--	--	612.130	--	4.803	1.864	304.539
12b. Other non-monetary liabilities	--	202	--	295.313	--	--	--	61.985
13. Current liabilities (10+11+12)	24.668	157.864	--	12.128.634	104	15.600	62.006	7.898.401
14. Trade payables	--	--	--	--	--	--	--	--
15. Financial liabilities	--	--	--	--	30.038	295.755	--	3.122.062
16a. Other monetary liabilities	--	--	--	--	--	227.567	--	2.240.670
16b. Other non-monetary liabilities	2.293	580	--	--	--	--	8.423	123.135
17. Non-current liabilities (14+15+16)	2.293	580	--	--	30.038	523.322	--	5.485.867
18. Total liabilities (13+17)	26.961	158.444	--	12.128.634	30.142	538.922	62.006	13.384.268
19. Net foreign assets / (liability) position	35.236	(143.565)	278	(4.332.640)	(29.863)	(414.771)	(10.110)	(8.355.312)
20. Net foreign currency asset / (liability) position(=1+2a+5+6a-10-11-12a-14-15-16a)	(13.227)	(156.938)	278	(4.568.657)	(30.124)	(487.476)	(15.629)	(10.729.561)

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

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

b) Financial Risk Factors (continued)

b.3) Market Risk (continued)

b.3.1) Foreign currency risk (continued)

31.12.2022	USD	EUR	GBP	RUB	DZD	AED	GEL	PLN	RON	TL Equivalent
1. Trade receivables	3.272	288	--	--	6.256.485	43.689	708	--	23.752	1.241.625
2a. Monetary financial assets, (cash and banks)	4.101	4.928	--	278	23.001	100.511	5.089	2	10.329	763.636
2b. Non-monetary financial assets	396	8	--	--	63.643	66.473	3	--	43.717	527.939
3. Other	--	--	--	--	243.082	70.206	277	--	20	390.595
4. Current assets (1+2+3)	7.769	5.224	--	278	6.586.211	280.879	6.077	2	77.818	2.923.793
5. Trade receivables	380	--	--	--	--	--	--	--	--	7.105
6a. Monetary financial assets	--	--	--	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	3.209	--	--	--	--	438
7. Other	52	--	--	--	--	--	6.893	--	--	48.840
8. Non-current assets (5+6+7)	432	--	--	--	3.209	--	6.893	--	--	56.384
9. Total assets (4+8)	8.201	5.224	--	278	6.589.420	280.879	12.970	2	77.818	2.980.177
10. Trade payables	534	1.809	--	--	10.340.904	172.370	936	--	32.178	2.464.720
11. Financial liabilities	10.024	82.846	--	--		48.110	--	--	--	2.082.525
12a. Other monetary liabilities	--	--	--	--	93.964	--	110	--	1.920	21.274
12b. Other non-monetary liabilities	1.527	354	--	--	322.815	--	--	--	--	79.644
13. Current liabilities (10+11+12)	12.085	85.009	--	--	10.757.683	220.480	1.046	--	34.098	4.648.162
14. Trade payables	--	101.208	--	--	--	--	--	--	--	2.017.571
15. Financial liabilities	25.000	104.000	--	--	--	86.163	29.919	--	--	3.184.675
16a. Other monetary liabilities	--	--	--	--	--	--	--	--		--
16b. Other non-monetary liabilities	--	--	--	--	18.697	--	23.046	--	5.922	186.316
17. Non-current liabilities (14+15+16)	25.000	205.208	--	--	18.697	86.163	52.965	--	5.922	5.388.562
18. Total liabilities (13+17)	37.085	290.217	--	--	10.776.380	306.643	54.011	--	40.020	10.036.724
19. Net foreign assets / (liability) position	(28.884)	(284.993)	--	278	(4.186.960)	(25.764)	(41.041)	2	37.798	(7.056.547)
20. Net foreign currency asset / (liability) position(=1+2a+5+6a-10-11-12a-14-15-16a)	(27.805)	(284.647)	--	278	(4.155.382)	(162.443)	(25.168)	2	(17)	(7.758.390)

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

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

b) Financial Risk Factors (continued)

b.3) Market Risk (continued)

b.3.2) Interest rate risk management

The Group's borrowing at fixed and variable interest rates exposes the Group to interest rate risk. Interest rates of financial assets and liabilities are stated in the related notes.

INTEREST POSITION TABLE		**30 June 2023**	**31 December 2022**
Fixed Rate Financial Instruments			
Financial Assets	Time deposits	51.619	191.002
	Financial assets available for sale	163.199	217.470
Financial Liabilities			19.812
Variable Rate Financial Instruments			
Financial Assets		1.195	1.370
Financial Liabilities		13.322.985	11.074.157

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

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

Fair value of financial instruments

30 June 2023	Financial assets/liabilities at amortized cost	Fair Value	Book Value
Financial assets			
Cash and cash equivalents	1.249.589	1.249.589	1.249.589
Trade receivables	2.572.846	2.572.846	2.572.846
Trade receivables from related parties	152.146	152.146	152.146
Other financial assets	164.394	164.394	164.394
Financial liabilities			
Financial liabilities	13.428.834	13.428.834	13.428.834
Trade payables to related parties	6.299.885	6.299.885	6.299.885
Other financial liabilities	1.136.255	1.136.255	1.136.255

31 December 2022	Financial assets/liabilities at amortized cost	Fair Value	Book Value
Financial assets			
Cash and cash equivalents	1.179.831	1.179.831	1.179.831
Trade receivables	1.476.240	1.476.240	1.476.240
Trade receivables from related parties	104.316	104.316	104.316
Other financial assets	218.840	218.840	218.840
Financial liabilities			
Financial liabilities	11.306.429	11.306.429	11.306.429
Trade payables to related parties	4.887.463	4.887.463	4.887.463
Other financial liabilities	54.025	54.025	54.025

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

Fair value of financial instruments (continued)

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

Monetary assets

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

Monetary liabilities

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

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

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

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

Third level: Valuation techniques that include inputs that are not based on market observable data used to determine the fair value of the asset or liability.1

31. Events After the Reporting Date

None.

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

32. Consolidated Financial Statements Ratios

CURRENT RATIO

I -	Current Assets / Short Term Liabilities		TL		
	2021 Current Ratio	=	5.432.047 / 2.440.240	=	2,23
	2022 Current Ratio	=	6.143.211 / 4.301.373	=	1,43
	30.06.2023 Current Ratio	=	7.874.862 / 6.995.333	=	1,13
	Average of Current Ratio for Three Years	=	a+b+c / d+e+f	=	1,42

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

32. Consolidated Financial Statements Ratios (Continued)

EQUITY RATIO

II -	Shareholder's Equity / Total Assets		TL			
	2021 Shareholder's Equity Ratio	=	6.713.367 / 19.441.631	=	0,35
	2022 Shareholder's Equity Ratio	=	9.988.205 / 27.521.611	=	0,36
	30.06.2023 Shareholder's Equity Ratio	=	14.661.532 / 37.835.374	=	0,39
	Average of Shareholder's Equity Ratio for Three Years	=	a+b+c / d+e+f	=	0,37

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

32. Consolidated Financial Statements Ratios (Continued)

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III - $\dfrac{\text{Short Term Bank Loans}}{\text{Equity}}$ TL

2021	=	$\dfrac{565.336}{6.713.367}$	=	0,08
2022	=	$\dfrac{739.984}{9.988.205}$	=	0,07
30.06.2023	=	$\dfrac{655.111}{14.661.532}$	=	0,04
Average for Three Years	=	$\dfrac{a+b+c}{d+e+f}$	=	0,06