

**NUROL İNŞAAT VE TİCARET
A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS
AS OF 1 JANUARY-30 JUNE
2024 TOGETHER WITH THE
INDEPENDENT AUDITORS'
REPORT**

Nurol İnşaat ve Ticaret A.Ş. and Its Foreign Subsidiaries, Branches and Joint Ventures

Table of Contents

	<i><u>Page</u></i>
Independent Auditor's Report	
Condensed consolidated interim balance sheets	1 - 3
Condensed consolidated interim statements of profit / (loss) and other comprehensive income	4 - 5
Condensed consolidated interim statements of changes in shareholders' equity	6 - 7
Condensed consolidated interim statements of cash flows	8
Notes to the Consolidated Financial Statements	9 – 76

INDEPENDENT AUDITORS REPORT

Nurol İnşaat ve Ticaret A.Ş.

Independent Audit of the Consolidated Financial Statements

1) Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Nurol İnşaat ve Ticaret A.Ş. (“the Company”) and its subsidiaries, (together “the Group”), which comprise the interim condensed consolidated interim balance sheet as at 30 June 2024 and interim the condensed consolidated 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.

2) 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.

3) Other Matters

In the accompanying interim condensed consolidated financial statements, the Group 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 interim condensed consolidated financial statements, the investments are carried at cost. Additionally, a separate audit report of the interim condensed consolidated financial statements for Nuro Holding A.Ş., the parent company of Nuro İnşaat, has been prepared (Note:1)

4) Conclusion

Based on our limited 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.

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



Nazım Hikmet
Sorumlu Ortak Baş Denetçi

27 September 2024
İstanbul, Türkiye

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
STATEMENT OF CONDENSED CONSOLIDATED FINANCIAL POSITION
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

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

ASSETS	Notes	Reviewed Current Period 30 June 2024 TL	Reviewed Current Period 30 June 2024 USD	Audited Prior Period 31 December 2023 TL	Audited Prior Period 31 December 2023 USD
Current Assets					
Cash and Cash Equivalents	5	2.637.504	80.348	1.263.693	34.415
Trade Receivables					
- Trade Receivables Due from Related Parties	4	16.430	501	3.911	107
- Trade Receivables Due from Third Parties	6	3.165.477	96.431	3.544.153	96.519
Other Receivables					
- Other Receivables Due from Related Parties	4	31.354	955	20.491	558
- Other Receivables Due from Third Parties	8	923.891	28.415	1.017.710	27.716
Inventories	9	592.112	18.038	747.263	20.351
Receivables from Financial Sector Activities	12	2.171.481	66.151	1.871.477	50.967
Prepaid Expenses	10	210.682	6.418	109.949	2.994
Current Tax Assets	27	259.142	7.894	95.807	2.609
Other Current Assets	21	959.862	29.241	1.125.018	30.638
Current Assets Before Assets Held for Sale		10.967.935	334.122	9.799.472	266.874
Assets Held for Sale	11	226.334	6.895	186.932	5.091
Total Current Assets		11.194.269	341.017	9.986.404	271.965
Non-Current Assets					
Trade Receivables					
- Trade Receivables Due from Related Parties	4	--		3.685	100
Other Receivables					
- Other Receivables Due from Related Parties	4	187.428	5.710	209.658	5.710
- Other Receivables Due from Third Parties	8	8.788	268	15.154	413
Subsidiaries	13	646.568	19.697	645.715	17.585
Investments Recognized Using the Equity	15	33.912.354	1.033.088	36.179.179	985.282
Investment Properties	17	11.176.642	340.479	12.173.069	331.514
Property, Plant and Equipment	14	1.208.017	36.800	1.336.478	36.397
Intangible Assets					
- Goodwill	16	236.308	7.199	236.308	6.435
- Other Intangible Assets	18	2.544	77	2.298	63
Prepaid Taxes and Funds	27	341.911	10.416	312.682	8.515
Prepaid Expenses	10	1.212	37	--	--
Deferred Tax Asset	27	3.626.037	110.462	3.459.903	94.225
Total Non-Current Assets		51.347.809	1.564.233	54.574.129	1.486.239
TOTAL ASSETS		62.542.078	1.905.250	64.560.533	1.758.204

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
STATEMENT OF CONDENSED CONSOLIDATED FINANCIAL POSITION
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

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

LIABILITIES	Notes	Reviewed	Reviewed	Audited	Audited
		Current Period 30 June 2024	Current Period 30 June 2024	Prior Period 31 December 2023	Prior Period 31 December 2023
		TL	USD	TL	USD
Current Liabilities					
Current Borrowings	7	2.014.239	61.361	1.848.209	50.333
Trade Payables					
- Trade payables Due from Related Parties	4	806.518	24.569	529.144	14.410
- Trade payables Due from Third Parties	6	3.883.112	118.293	3.308.623	90.105
Payables Related to Employee Benefits	20	129.096	3.933	93.037	2.534
Other Payables					
- Other Payables Due from Related Parties	4	2	--	2.496	68
- Other Payables Due from Third Parties	8	126.831	3.864	104.359	2.842
Deferred Income	10	501.661	15.282	624.583	17.010
Current Tax Liabilities	27	52.695	1.605	97.733	2.662
Amounts Due from Ongoing Construction Contracts	13	1.331.708	40.568	139.660	3.803
Current Provisions					
- Current Provisions for Employee Benefits	20	59.487	1.812	71.533	1.948
- Other Current Provisions	19	44.132	1.344	23.091	629
Other Current Liabilities	21	390.690	11.902	497.833	13.558
Total Current Liabilities		9.340.171	284.533	7.340.301	199.902
Non-Current Liabilities					
Non-Current Borrowings	7	18.694.885	569.511	18.785.378	511.590
Trade Payables					
- Trade payables Due from Related Parties	4	--	--	--	--
- Trade payables Due from Third Parties	6	3.701.928	112.774	4.307.524	117.309
Other Payables					
- Other Payables Due from Related Parties	4	1.105.983	33.692	1.378.567	37.543
- Other Payables Due from Third Parties	8	49.267	1.501	93.785	2.554
Deferred Income	10	698.826	21.289	523.714	14.263
Non-Current Provisions					
- Non-Current Provisions for Employee Benefits	20	148.367	4.520	164.862	4.490
Other Non-Current Provisions	21	87	1	88	2
Deferred Tax Liabilities	27	1.568.482	47.781	2.071.250	56.407
Total Non-Current Liabilities		25.967.825	791.069	27.325.168	744.158
Total Liabilities		35.307.996	1.075.602	34.665.469	944.060

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
STATEMENT OF CONDENSED CONSOLIDATED FINANCIAL POSITION
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

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

EQUITY	Notes	Reviewed	Reviewed	Audited	Audited
		Current Period	Current Period	Prior Period	Prior Period
		30 June 2024	30 June 2024	31 December 2023	31 December 2023
		TL	USD	TL	USD
Paid-in capital	22	900.000	27.417	900.000	24.510
Capital Adjustment Differences	22	3.976.739	121.145	3.976.739	108.300
Other comprehensive income/expense not to be reclassified to profit					
- Actuarial gain / (loss)	22	(36.733)	(1.119)	(19.122)	(521)
Other comprehensive income/expense not to be reclassified to profit					
- Foreign Currency Translation Differences	22	(600.339)	(18.288)	(1.832.687)	(49.910)
- Change in fair value of available-for-sale financial assets	22	(82.220)	(2.505)	(176.444)	(4.805)
Restricted reserves	22	501.387	15.274	502.367	13.681
Prior years profit		26.544.211	808.629	18.644.476	507.752
Net profit/ (loss) for the period		(3.968.963)	(125.657)	7.899.735	266.683
Total Equity		27.234.082	824.896	29.895.064	865.690
Translation difference		--	4.752	--	(51.546)
Total Liabilities and Equity		62.542.078	1.905.250	64.560.533	1.758.204

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED PROFIT OR LOSS FOR THE PERIODS ENDED
AS OF 1 JANUARY- 30 JUNE 2024 AND 2023

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

	Notes	Reviewed	Reviewed	Reviewed	Reviewed
		Current Period 1 January- 30 June 2024	Current Period 1 January- 30 June 2024	Prior Period 1 January- 30 June 2023	Prior Period 1 January- 30 June 2023
		TL	USD	TL	USD
Revenue	23	6.382.773	202.080	10.391.456	305.508
Cost of sales (-)	23	(5.713.435)	(180.888)	(8.771.095)	(257.870)
Gross Profit		669.338	21.192	1.620.361	47.638
General administrative expenses (-)		(409.980)	(12.980)	(488.530)	(14.363)
Research and development expenses (-)		(16.556)	(524)	(23.191)	(682)
Other operating income	24	20.509	649	70.206	2.064
Other operating expenses (-)	24	(48.591)	(1.538)	(219.382)	(6.450)
Operating profit		214.720	6.799	959.464	28.207
Shares from profit / loss from investments revalued with the equity method	15	4.907.425	155.370	13.287.664	390.657
Income from investing activities	25	171.002	5.414	38.734	1.139
Expenses from investing activities (-)	25	(12.932)	(409)	(757.817)	(22.280)
Operating profit before financial income / (expenses)		5.280.215	167.174	13.528.045	397.723
Financial Income	26	1.023.310	32.398	1.912.277	56.221
Financial Expenses (-)	26	(6.121.945)	(193.822)	(8.882.449)	(261.144)
Monetary loss / (gain)		(4.743.013)	(150.165)	392.084	11.527
Profit/(Loss) Before Tax from Continuing Operations		(4.561.433)	(144.415)	6.949.957	204.327
Current Tax Income/Expense	27	--	--	--	--
Deferred Tax Income/Expense	27	592.470	18.758	1.149.880	33.806
Profit/Loss For The Period		(3.968.963)	(125.657)	8.099.837	238.133
EBITDA	2.7	283.727	8.963	1.060.207	31.170

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

NUROL İNŞAAT VE TİCARET ANONİM ŞİRKETİ
STATEMENTS OF CONDENSED CONSOLIDATED OTHER COMPHRENSIVE INCOME FOR THE
PERIODS ENDED
AS OF 01 JANUARY – 30 JUNE 2024 AND 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

	Reviewed Current Period 1 January- 30 June 2024	Reviewed Prior Period 1 January- 30 June 2023
Profit/ (Loss) for the Period	(3.968.963)	8.099.837
Items not to be reclassified to profit or loss	(17.611)	(1.546)
Actuarial gains / loss on defined benefit plans	(21.392)	(1.902)
Actuarial gains / loss on defined benefit plans deferred tax effect	3.781	356
Items to be reclassified to profit or loss	1.326.572	(170.128)
Foreign currency translation differences	1.232.348	54.949
Change in fair value of available-for-sale financial assets	94.224	(225.077)
Other Comprehensive Income / (Expense)	1.308.961	(171.674)
Total Comprehensive Income	(2.660.002)	7.928.163
<i>Total Comprehensive Income Distribution:</i>		
- Non Controlling Interests	--	--
- Parent Company	(2.660.002)	7.928.163

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

NUROL İNŞAAT VE TİCARET ANONİM ŞİRKETİ
STATEMENTS OF CONDENSED CONSOLIDATED CHANGES IN EQUITY FOR THE PERIODS ENDED
AS OF 01 JANUARY – 30 JUNE 2024 AND 2023

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

	Share capital	Capital adjustment different	Gain / loss on remeasurements of defined benefit plans	Foreign currency translation differences	Change in fair value of available-for-sale financial assets	Restricted reserves	Prior years' income	Net profit for the period	Total
Closing Balance at 31 December 2023	900.000	3.976.739	(19.122)	(1.832.687)	(176.444)	502.367	18.644.476	7.899.735	29.895.064
Transfers	--	--	--	--	--	--	7.899.735	(7.899.735)	--
Gain / loss on remeasurements of defined benefit plans	--	--	(17.611)	--	--	--	--	--	(17.611)
Foreign currency translation differences	--	--	--	1.232.348	--	--	--	--	1.232.348
Change in fair value of available-for-sale financial assets	--	--	--	--	94.224	--	--	--	94.224
Prior period loss adjustment	--	--	--	--	--	(980)	--	--	(980)
Net loss for the period	--	--	--	--	--	--	--	(3.968.963)	(3.968.963)
Closing Balance at 30 June 2024	900.000	3.976.739	(36.733)	(600.339)	(82.220)	501.387	26.544.211	(3.968.963)	27.234.082

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

NUROL İNŞAAT VE TİCARET ANONİM ŞİRKETİ
STATEMENTS OF CONDENSED CONSOLIDATED CHANGES IN EQUITY FOR THE PERIODS ENDED
AS OF 01 JANUARY – 30 JUNE 2024 AND 2023

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

	Share capital	Capital adjustment different	Gain / loss on remeasurements of defined benefit plans	Foreign currency translation differences	Change in fair value of available- for-sale financial assets	Restricted reserves	Prior years' income	Net profit for the period	Total
Closing Balance at 31 December 2022	900.000	3.976.739	(13.273)	(1.113.582)	66.647	505.567	7.111.097	8.764.403	20.197.598
Transfers	--	--	--	--	--	(1.344)	8.765.747	(8.764.403)	--
Gain / loss on remeasurements of defined benefit plans	--	--	(1.546)	--	--	--	--	--	(1.546)
Foreign currency translation differences	--	--	--	54.949	--	--	--	--	54.949
Change in fair value of available-for-sale financial assets	--	--	--	--	(225.077)	--	--	--	(225.077)
Net profit for the period	--	--	--	--	--	--	--	8.099.837	8.099.837
Closing Balance at 30 June 2023	900.000	3.976.739	(14.819)	(1.058.633)	(158.430)	504.223	15.876.844	8.099.837	28.125.761

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS 1 JANUARY – 30 JUNE 2024 AND 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

	Audited Current Period 1 January- 30 June 2024	Audited Prior Period 1 January- 31 December 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net profit/(loss) for the period</i>	(3.968.964)	8.099.837
<u>Adjustments to reconcile net cash generated</u>		
Depreciation and amortization charge	69.007	100.743
Changes in doubtful debt provision	5.442	24.249
Provision for employee termination benefits	3.872	15.045
Changes in provision for lawsuits	25.620	5.673
Adjustments related to interest (income) / expense	2.520.332	1.919.256
Period profit from investments recognized using the equity method	2.266.825	(7.328.530)
Foreign currency translation differences	1.164.271	216.813
Deferred tax asset / (liability), net	(655.072)	(1.116.263)
Tax effect of actuarial loss / gain	(17.611)	(1.546)
Other Adjustments	(980)	--
Monetary Gain/Loss	205.574	(1.661.579)
<u>Changes in net working capital</u>		
Increases/decreases in inventories	155.151	(1.107.128)
Increases/decreases in trade receivables	361.102	(1.408.986)
Increases/decreases in other receivables	111.438	(40.221)
Changes in receivables from costs on ongoing construction contracts	(300.004)	1.176.544
Increases / decreases in prepaid expenses	(101.945)	3.354
Increases/decreases in trade payables	250.723	941.806
Increases/decreases in other payables	(297.123)	1.697.031
Changes in receivables from costs on uncompleted construction contracts	1.192.047	406.892
Increases/decreases in deferred income	52.190	1.462.455
Increase/decrease in liabilities related to employee benefits	36.059	13.259
Increase/decrease in other short-term liabilities	(107.143)	(2.855)
Tax paid/returned	(237.603)	138.073
Other short-term provisions	(12.047)	(9.078)
Increase/decrease in other current assets	165.155	(346.534)
Severance Payments	(15.497)	(50.523)
Net Cash Flows Generated from Operating Activities	2.870.819	3.147.787
B. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash flows generated from/used in short term financial liabilities	166.031	(396.729)
Cash flows generated from/used in long term financial liabilities	(90.493)	202.256
Interest expense paid	(2.513.631)	(1.908.832)
Change in fair value of available-for-sale financial assets	(39.402)	166.918
Net Cash Flows Generated from Financing Activities	(2.477.495)	(1.936.387)
C. CASH FLOWS FROM INVESTMENT ACTIVITIES		
Financial investments	(853)	764
Changes in property, plant and equipment	141.865	(243.129)
Changes in intangible assets	(589)	621
Changes in investment properties	996.427	219.850
Revaluation of held for sale financial assets	94.224	(225.078)
Net Cash Flows Used in Investment Activities	1.231.074	(246.972)
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS	(250.587)	(1.245.062)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1.373.811	(280.634)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1.263.693	2.424.893
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2.637.504	2.144.259

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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 2024 5.459 personnel were employed within the Group on average (31 December 2023: 6.050) personnel.

The partnership structure as of 30 June 2024 and 2023 is as follows:

	30.06.2024	Share Rate (%)	31.12.2023	Share Rate (%)
Nurol Holding A.Ş.	899.533	99,95	899.533	99,95
Nurettin Çarmıklı	137	< 1	137	< 1
Mehmet Oğuz Çarmıklı	137	< 1	137	< 1
Figen Çarmıklı	137	< 1	137	< 1
Aynur Türkan Çarmıklı	28	< 1	28	< 1
Müjgan Sevgi Kayaalp	28	< 1	28	< 1
	900.000		900.000	
Inflation adjustment	3.976.739		3.976.739	
	3.976.739		3.976.739	

The Company's capital consists of 900.000 shares, each with a nominal value of TL 1 (one Turkish Lira) (31 December 2023: 900.000 shares, each with a nominal value of TL (one Turkish Lira).)

The projects undertaken by the Group as of 30 June 2024 are summarized below (Note 12):

Turkey Projects

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

Algeria Projects

- Boukhroufa Dam
- Souk Tlata Dam
- East-West-Highway – Tzi Ouzu City Connecting Highway

Romania Projects

- Nusfalau – Suplacu de Barcau 3B5 (km 66 + 500 – km 80 + 054.044) Motorway Design and Construction Works
- Ploiesti-Buzau Lot-3 (Km 49+350 - 63.250) Motorway Project
- The Târgu Mureş – Târgu Neamţ Highway, Section I Târgu Mureş – Miercurea Nirajului and the Design and Construction Works Project of the Connection to the A3 Highway

United Arab Emirates Projects

- Riyadh City South Faz-4 (Abu Dhabi)

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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. (2023: 25.95%) and is listed in the accompanying consolidated financial statements under investments recognized using the equity method (Note 15).

	Branches and Joint Ventures (%)	
	30.06.2024	31.12.2023
<i>Foreign</i>		
Nurol LLC	100	100
Nurol Gürcistan LLC	100	100
Nurol Gürcistan Branch	100	100
Nurol İnşaat Cezayir Branch	100	100
Nurol İnşaat Romanya Branch	100	100
<i>Domestic</i>		
Nurol - Özgün Joint Venture	50	50
Nurol - YDA - Özka Joint Venture (*)	65	65
Nurol - Mesa Joint Venture	50	50
Nurol - Gülsan Joint Venture	50	50
Nurol - Gülermak - Makyol Joint Venture (**)	33,33	33,33
Nurol – Alkataş Joint Venture	50	-

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

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

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 2024 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 the 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 January 2026.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

Nurol İnşaat ve Ticaret A.Ş. (continued)

İzmir Çiğli Tram Line Construction Works

The Tram Line to be constructed in the Çiğli 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 as of 07 June 2024.

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 18 March 2024.

B557 Manufacturing and Research and Development Building Construction Works

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 July 2024.

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 April 2025.

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. The 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 voluminous projects.

The ongoing projects of Nurol LLC as of 30 June 2024 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 center, rainwater and sewage systems, irrigation networks, telecommunication, monitoring and controlling center along with the infrastructure of 3.199 villas and residential units are to be completed.

Al Reeman 2 Phase - 3 Villas and Infrastructure Works

The project involves the construction of a total of 557 villas planned to be built in Abu Dhabi as part of Phase 3 of the Al Reeman 2 Project, covering approximately 76 hectares of land. This includes works such as roads, sidewalks, drinking water, stormwater, sewage, irrigation, electricity, street lighting, and landscaping.

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 VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

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.

Nurol İnşaat Algeria Branch

Nurol İnşaat Algeria Branch was established in 2003 and the ongoing projects of as of the end of 30 June 2024 is as follows:

Boukhroufa Dam Project

The project is assumed by Nurol-Gesi TP 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 January 2025.

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 April 2026.

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 was completed on 21 September 2023 and opened to traffic.

Ploiesti-Buzau Lot-3 (Km 49+350 - 63.250) Motorway:

The project is comprised of a highway project that includes 1 CIC, 1 service area, 2 intersections; a total of 7 bridges (420 m steel, the rest precast beams) with a total length of 1.907 m, a total of 3.3 km of connecting roads, and a main route length of 13.9 km. The project is scheduled to be completed in October 2025.

The Târgu Mureş – Târgu Neamţ Highway, Section I Târgu Mureş – Miercurea Nirajului and the Design and Construction Works Project of the Connection to the A3 Highway

The duration of the project is 30 months which includes 6 months for design and 24 months for construction. The length of the motorway is 24,4 km and the project includes 30 precast bridges with a total length of 2.588 m, 2 steel bridges with a total length of 343 m, 4 highway underpasses, 3 interchanges, 2 service and parking areas, 1 operation and maintenance center and 26,9 km of 9 m wide connection roads. The platform width of the Motorway is 26 meters and is planned to have a total of 4 lanes with 2 lanes in each direction. The project is scheduled to be completed in December 2026.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

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 March 2026.

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 Sirtköy area is including planned villa, social facility, sale office and trade area. The project is planned to be completed in June 2025.

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 to be constructed. The project's temporary acceptance was made on 15 June 2022. The one-year warranty period has ended and the final acceptance was completed on 8 April 2024.

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 7.000 tons in total and all protection measures will be taken, and transportation and assembly will be done in accordance with the specifications. An application for provisional acceptance was made on 17 July 2024.

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 November 2025.

Alkatas – Nurol Joint Venture

Republic Asia Region Treatment Plant Project

The partnership has been established for the design and construction of a treatment plant with a capacity of 360,000 m³/day and a lift station in the Beykoz district of Istanbul. The total project duration is 900 days for design, construction, and mechanical and electrical works, followed by 180 days for testing and commissioning, resulting in a total of 1,080 days. The project is planned to be completed in February 2027.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

2. Basis of Presentation of the Consolidated Financial Statements

2.1 Basis of Presentation

Statement of Compliance to TFRS

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations.

The Company and its subsidiaries operating in Turkey, maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. These consolidated financial statements are based on the statutory records, with the required adjustments and reclassifications including those related to changes in purchasing power reflected for the purpose of fair presentation in accordance with the TFRS.

Functional and reporting presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The consolidated financial statements are prepared and presented in Turkish Lira ("TL"), which is the functional currency of the parent company.

The financial statements of subsidiaries, joint ventures and affiliates operating in foreign countries

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.

Adjustment of financial statements in hyperinflationary periods

The Group prepared its consolidated financial statements as at and for the year ended 31 December 2023 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies". The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the reporting period and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of 31 December 2023, on the purchasing power basis as of 30 June 2024.

In accordance with the CMB's decision dated 28 December 2023, and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 30 June 2024.

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

2.1 Basis of Presentation (Continued)

Adjustment of financial statements in hyperinflationary periods (continued)

The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follows;

Date	Index	Adjustment Factor	Cumulative Inflation Rates Over Three Years
30 June 2024	2.319,29	1,00000	324%
31 December 2023	1.859,38	1,24735	268%
30 June 2023	1.351,59	1,71597	190%

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

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 30 June 2024.

Non-monetary items which are not expressed in terms of measuring unit as of 30 June 2024 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors. Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 30 June 2024.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income.

In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

Going Concern

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

2.2 Restatement and Errors in the Accounting Policies Estimates

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes that do not include any transitional provisions, optional significant changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made, if it relates to only one period, and both in the period when the change is made and prospectively if it is related to future periods. The significant estimates used in the preparation of the consolidated financial statements for the year ended 30 June 2024 are consistent with the estimates applied in the preparation of the consolidated financial statements for the years ended 31 December 2023.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

2.3 Principles of Consolidation

Consolidated financial statements, parent company Nürol İnşaat ve Sanayi A.Ş. and its subsidiaries, affiliates, joint ventures and financial investments accounts prepared according to the principles set forth in the following articles.

During the preparation of the financial statements of the companies included in the consolidation, necessary adjustments and classifications were made in terms of compliance with the TAS/TFRS, which was put into effect by the POA in accordance with the provisions of the Communiqué Serial II, No. 14.1, and compliance with the accounting policies and presentation styles applied by the Group.

Subsidiaries

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

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

Consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company's fulfillment 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.

Subsidiaries and Financial Investments

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

2.3 Principles of Consolidation (continued)

Subsidiaries and Financial Investments (continued)

Associates are accounted for using the equity method. Associates are companies in which the Group has voting power between 20% and 50% or the Group has power to participate in the financial and operating policy decisions but not control them. Unrealized gains or losses arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

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. New and Amended Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as of 30 June 2024 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 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

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

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

2.5. New and Amended Financial Reporting Standards (Continued)

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

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

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

The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

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

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

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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

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

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

2.5. New and Amended Financial Reporting Standards (Continued)

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

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

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

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

The Group will assess the effects of the aforementioned changes once the standards are finalized.

TFRS 17 - The New Standard for Insurance Contracts

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

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

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

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

Amendments to TAS 21 - Lack of exchangeability

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

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

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

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD).

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

2.5. New and Amended Financial Reporting Standards (Continued)

iii) The amendments which are effective immediately upon issuance

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

The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

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

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

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

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

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

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

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

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

2.5. New and Amended Financial Reporting Standards (Continued)

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

The Standard is not applicable to the Group.

2.6. Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 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) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Related parties (continued)

Transaction with 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.

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

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

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

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

Income from construction contracts

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

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

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

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

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.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Revenue (continued)

Income from construction contracts (continued)

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

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

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

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

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

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

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

Rendering of services

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

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Trade receivables (continued)

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Inventories

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

Available for sale investments

Available-for-sale investments, in which the Group has controlling interests equal to or above 20%, or over which are either immaterial or where a significant influence is not exercised by the Group, that do not have quoted market prices in active markets and whose fair values cannot be reliably measured are carried at cost less any provision for impairment.

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.

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.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Property, plant and equipment (continued)

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Useful Life</u>
Buildings	10-50 years
Land improvements	5-25 years
Machinery and equipment	3-17 years
Vehicles	5 year
Furniture, fixtures and office equipment	4-50 years
Leased Property, Plant, and 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:

	<u>Useful Live</u>
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.

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.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

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.

Impairment of assets

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the comprehensive statement of income.

The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortization amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted for in the comprehensive statement of income.

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.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Finance Leases (continued)

The Group - as the leasee (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.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Borrowing costs

In the case of assets that take significant time to get ready for use or sale, borrowing costs directly attributable to their acquisition, construction or production are included in the cost of the asset until it is ready for use or sale. Financial investment income obtained by temporarily investing the unspent portion of the investment loan in financial investments is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the profit or loss in the period in which they are incurred.

Trade payables

Trade payables refer to the payments to be made for goods and services provided from suppliers in ordinary activities. Trade payables are first measured from their fair value and amortized cost calculated using the effective interest method in the following periods.

Financial Instruments

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

Financial assets

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

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

Classification of financial assets

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

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

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

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Financial Instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

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

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

(i) Amortized cost and effective interest method

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

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

- a) Financial assets that are credit-impaired when purchased or created. For such financial assets, an entity applies a credit-adjusted effective interest rate to the amortized cost of the financial asset since initial recognition.
- b) Financial assets that were not credit-impaired financial assets at the time of purchase or origination but subsequently become credit-impaired financial assets. For such financial assets, the entity applies the effective interest rate to the amortized cost of the asset in subsequent reporting periods.

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

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

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

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

(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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Financial Instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

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

- is a derivative (except for a financial guarantee contract or derivatives that are defined and effective hedging instruments).

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

Foreign exchange gains and losses

The carrying amount of financial assets denominated in foreign currency is determined in the relevant foreign currency and translated at the prevailing exchange rate at the end of each reporting period. Especially,

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

Impairment of financial assets

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

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

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

Measuring and accounting for expected credit losses

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Financial Instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

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

The expected credit loss of financial assets is the initial effective interest rate (or credit-impairment when purchased or created) of the difference between all of the Group's contractually realized cash flows and all of the cash flows that the Group expects to collect (all cash deficits). It is the present value calculated over the loan-adjusted effective interest rate for financial assets.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial liabilities

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

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

- a) Financial liabilities at fair value through profit or loss: These liabilities, including derivatives, are measured at fair value at subsequent recognition.
- b) Financial liabilities arising when the transfer of the financial asset does not meet the conditions for derecognition or if the continuing relationship approach is applied: If the Group continues to present an asset in the financial statements to the extent of its continuing relationship, it also reflects a related liability in the financial statements. The transferred asset and the associated liability are measured to reflect the rights and obligations that the entity continues to hold. The liability attached to the transferred asset is measured in the same manner as the net book value of the transferred asset.
- c) Contingent consideration recognized by the acquirer in a business combination to which TFRS 3 is applied: After initial recognition, the fair value changes in such contingent consideration are measured through profit or loss.

The entity does not reclassify any financial liabilities.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Financial Instruments (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

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

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.

Business combinations and goodwill

Nurol İnşaat owned 21.6% shares of Otoyol Yatırım İşletme A.Ş. in 2012. Otoyol Yatırım İşletme A.Ş. has decided to increase its share capital from TL 250 million to TL 1 billion on 16 July 2013. In addition, Nurol İnşaat has increased its shares to 26.98% by purchasing shares of Yüksel İnşaat A.Ş. and Göçay İnşaat Taahhüt ve Ticaret A.Ş. with this purchase, for the 5% share, goodwill in the amount of TL 189.449 thousand has been paid (Note 17). As of 31 December 2019, part of the shares was sold back to Göçay İnşaat Taahhüt ve Ticaret A.Ş. and therefore Nurol İnşaat holds 25.95% of the shares as of 30 June 2024.

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.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Provisions, contingent assets and liabilities (continued)

Contingent Assets and Liabilities

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

Foreign currency transactions

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

	30 June 2024	31 December 2023
ABD\$	32,8262	29,4382
EURO	35,1284	32,5739
GBP	41,4365	37,4417
DZD (Algerian Dinar)	0,24421	0,21964
GEL (Georgian Lari)	11,7342	10,9616
AED (United Arab Emirates Dirham)	8,8870	7,9704
RON (Romania Leusu)	7,0179	6,5113

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 2024 and 31 December 2023 and are as follows:

	30 June 2024	31 December 2023
Interest rate	25,05%	25,05%
Inflation rate	21,41%	21,41%

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

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the required conditions.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Earnings per share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Taxes calculated on corporate income and deferred tax

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

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

Current tax

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

Deferred Tax

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

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

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

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

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

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

Taxes calculated on corporate income and deferred tax (continued)

Deferred Tax (continued)

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 sales activities of steel products and minerals.

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

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 IFRS, 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.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)

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.

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.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

3. Geographical Segment Reporting

Information of total assets and total liabilities of the Group per geographical segments as of 30 June 2024 and 31 December 2023 are as follows:

30.06.2024	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Total assets	55.204.208	4.380.513	4.367.174	1.486.886	1.246.052	(4.142.755)	62.542.078
Total liabilities	55.204.208	4.380.513	4.367.174	1.486.886	1.246.052	(4.142.755)	62.542.078
31.12.2023	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Total assets	59.672.954	4.252.203	5.284.209	2.572.365	577.799	(7.798.998)	64.560.532
Total liabilities	59.672.954	4.252.203	5.284.209	2.572.365	577.799	(7.798.998)	64.560.532

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

3. Geographical Segment Reporting (Continued)

Income statement information of the Group per geographical segment as of 30 June 2024 is as follows:

1 January - 30 June 2024	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Revenue	5.702.768	326.529	99.410	126.479	130.166	(2.579)	6.382.773
Cost of sales	(4.818.635)	(378.220)	(68.432)	(228.557)	(219.623)	32	(5.713.435)
Gross profit/(loss)	884.133	(51.691)	30.978	(102.078)	(89.457)	(2.547)	669.338
Operating expenses	(251.402)	(73.096)	(20.091)	(8.105)	(76.389)	2.547	(426.536)
Other operating income/(expenses), net	(31.223)	3.854	(713)	--	--		(28.082)
Operating profit / (loss)	601.508	(120.933)	10.174	(110.183)	(165.846)	--	214.720
Shares from profit of investments revalued with the equity method	4.907.425	--	--	--	--	--	4.907.425
Investment income/(expenses)	170.591	(12.521)	--	--	--	--	158.070
Financial income/(expenses) net	(9.878.246)	51.566	(12.174)	--	(2.794)	--	(9.841.648)
Profit/(loss) before tax from continued operations	(4.198.722)	(81.888)	(2.000)	(110.183)	(168.640)	--	(4.561.433)
Tax expense for the year	--	--	--	--	--	--	--
Deferred tax income/(expenses), net	883.028	--	(290.558)	--	--	--	592.470
Net profit/(loss) for the period	(3.315.694)	(81.888)	(292.558)	(110.183)	(168.640)	--	(3.968.963)

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

3. Geographical Segment Reporting (Continued)

Income statement information of the Group per geographical segment as of 30 June 2023 is as follows:

1 January – 30 June 2023	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Revenue	5.655.326	2.513.625	225.213	610.948	1.388.300	(1.956)	10.391.456
Cost of sales	(4.242.401)	(3.036.468)	(132.216)	(314.629)	(1.046.748)	1.367	(8.771.095)
Gross profit/(loss)	1.412.925	(522.843)	92.997	296.319	341.552	(589)	1.620.361
Operating expenses	(199.885)	(83.803)	(22.997)	(4.417)	(200.619)	--	(511.721)
Other operating income/(expenses), net	(190.058)	44.849	(3.967)	--	--	--	(149.176)
Operating profit / (loss)	1.022.982	(561.797)	66.033	291.902	140.933	(589)	959.464
Shares from profit of investments revalued with the equity method	13.287.664	--	--	--	--	--	13.287.664
Investment income/(expenses)	(719.083)	--	--	--	--	--	(719.083)
Financial income/(expenses) net	(6.160.052)	(54.429)	(17.367)	(325.602)	(20.638)	--	(6.578.088)
Profit/(loss) before tax from continued operations	7.431.511	(616.226)	48.666	(33.700)	120.295	(589)	6.949.957
Tax expense for the year	--	--	--	--	--	--	--
Deferred tax income/(expenses), net	849.360	--	300.520	--	--	--	1.149.880
Net profit/(loss) for the period	8.280.871	(616.226)	349.186	(33.700)	120.295	(589)	8.099.837

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

4. Related Parties Disclosures

<i>a) Current trade receivables from related parties</i>	30.06.2024	31.12.2023
Otoyol Yatırım ve İşletme A.Ş.	9.812	--
SGO İnşaat Sanayi ve Ticaret A.Ş.	3.551	2.952
Other	3.067	959
	16.430	3.911
<i>b) Non-Current trade receivables from related parties</i>	30.06.2024	31.12.2023
Otoyol Yatırım ve İşletme A.Ş.	--	3.685
	--	3.685
<i>c) Trade payables to related parties</i>	30.06.2024	31.12.2023
Nurol Holding A.Ş.	790.202	524.873
Nurol Sigorta Aracılık Hizmetleri A.Ş.	11.134	231
Enova Elektrik Enerjisi Toptan Satış A.Ş.	1.920	1.638
Nurol Grup Elektrik Toptan Sat. A.Ş.	1.870	1.548
Nurol Havacılık A.Ş.	787	--
Botim İşletme Yönetim ve Ticaret A.Ş.	331	723
Bosfor Turizm İşletmecilik A.Ş.	130	123
Other	144	8
	806.518	529.144
<i>d) Other current receivables to related parties</i>	30.06.2024	31.12.2023
Botim İşletme Yönetim ve Ticaret A.Ş.	18.073	8.921
Oğuz Çarmıklı	3.579	3.363
Nurol Construction Germany Gmbh	3.154	2.560
Figen Çarmıklı	2.391	1.543
Nurettin Çarmıklı	2.171	1.795
Nurol Eğitim Kültür ve Spor Vakfı	800	686
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	185	221
Otoyol Yatırım İşletme A.Ş.	174	--
SGO İnşaat Sanayi ve Ticaret A.Ş.	--	702
Other	827	700
	31.354	20.491
<i>e) Other non-current receivables from related parties</i>	30.06.2024	31.12.2023
Otoyol Yatırım İşletme A.Ş.	187.428	209.658
	187.428	209.658

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

4. Related Parties Disclosures (Continued)

<i>f) Other current payables to related parties</i>	30.06.2024	31.12.2023
Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.	2	2.173
Nurol Yatırım Bankası A.Ş.	--	322
Other	--	1
	2	2.496

<i>g) Other non-current payables to related parties</i>	30.06.2024	31.12.2023
Nurol Holding A.Ş. (*)	1.104.241	1.378.567
Otoyol Yatırım ve İşletme A.Ş.	1.742	--
	1.105.983	1.378.567

(*) The balance is comprised to funds provided to Nurol İnşaat by the parent company, Nurol Holding A.Ş.

5. Cash and Cash Equivalents

	30.06.2024	31.12.2023
Cash on hand	13.443	13.011
Banks		
- demand deposits	923.885	967.311
- time deposits (with maturities of less than three months)	1.700.124	283.341
Credit card receivables	52	30
	2.637.504	1.263.693

As of 30 June 2024 and 31 December 2023, details of cash and cash equivalents are as follows:

	30.06.2024	31.12.2023
Cash on hand	13.443	13.011
- Demand deposits		
- AED	244.104	331.985
- TL	211.897	208.389
- DZD	195.989	58.352
- USD	179.951	117.726
- RON	54.832	498
- GEL	30.580	55.542
- EURO	6.447	194.727
- RUB	72	76
- PLN	13	16
- Time deposits		
- TL	1.696.218	241.335
- RON	3.906	42.006
Credit card receivables	52	31
	2.637.504	1.263.694

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

6. Trade Receivables and Payables

	30.06.2024	31.12.2023
<i>Current trade receivables</i>		
- Nurol Cezayir Branch	821.684	2.191.327
- Nurol Romanya Branch	799.351	128.423
- Nurol LLC	753.383	547.052
- Nurol İnşaat ve Ticaret A.Ş.	391.545	494.101
- Nurol Gülermak Makyol Joint Venture	223.384	49.850
- Gülsan Nurol Joint Venture	16.298	17.838
- Nurol Gürcistan Branch	8.915	10.609
- Nurol Mesa Joint Venture	3.663	13.101
- Nurol Yüksel YDA Özka	1.675	57.718
- Alkatas Nurol Joint Venture	170	--
Receivables from related parties (Note 4)	16.430	3.911
Notes receivables	145.409	34.134
Doubtful trade receivables	35.809	38.225
Provision for doubtful trade receivables (-)	(35.809)	(38.225)
	3.181.907	3.548.064

	30.06.2024	31.12.2023
<i>Non-current trade receivables</i>		
Non-current trade receivables from related parties (note 4)	--	3.685
	--	3.685

Movement of doubtful receivables is as follows:

	01.01- 30.06.2024	01.01- 30.06.2023
Opening Balance, 1 January	38.225	33.941
Provisions during the period (Note 24)	4.653	10.354
Foreign currency translation differences (Note 24)	714	3.967
Collections/provisions no longer required (-) (Note 24)	(203)	(939)
Monetary Loss / Gain	(7.580)	(5.603)
Closing Balance, 30 June	35.809	41.720

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

6. Trade Receivables and Payables (Continued)

	30.06.2024	31.12.2023
<i>Current trade payables</i>		
- Nurol İnşaat ve Ticaret A.Ş.	273.657	622.357
- Nurol LLC	1.238.377	1.568.590
- Nurol Cezayir Branch	365.491	611.222
- Nurol Gülermak Makyol Joint Venture	392.392	272.044
- Nurol Romanya Branch	1.496.895	125.609
- Nurol YDA Özka Joint Venture	1.112	65.310
- Nurol Gürcistan	81.638	27.455
- Gülsan Nurol Joint Venture	22.314	10.604
- Nurol Mesa Joint Venture	2.972	4.439
- Özgün Nurol Joint Venture	5.235	993
- Alkatas Nurol Joint Venture	3.029	--
Trade payables to related parties (Note 4)	806.518	529.144
	4.689.630	3.837.767

	30.06.2024	31.12.2023
<i>Non-current trade payables</i>		
Trade payables (*)	3.701.928	4.307.524
	3.701.928	4.307.524

(*) Non-current trade payables consist of transit trade transactions related to the supply of construction materials abroad.

7. Financial Borrowings

	30.06.2024	31.12.2023
<i>Current financial liabilities</i>		
Current bank borrowings	1.260.481	1.561.300
Financial lease payables	2.534	6.085
Interest accruals	251.224	280.824
Current financial liabilities	1.514.239	1.848.209
Short-term portion of long-term bond issuances and interest accruals	500.000	--
Total current financial liabilities	2.014.239	1.848.209

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

7. Financial Borrowings (Continued)

	30.06.2024	31.12.2023
<i>Non-current financial liabilities</i>		
Non-current bank borrowings	16.691.181	15.662.393
Financial lease payables	3.704	4.620
Total non-current financial liabilities	16.694.885	15.667.013
Long-term bond issues (*)	2.000.000	3.118.365
Total non-current liabilities	18.694.885	18.785.378
Total financial liabilities	20.709.124	20.633.587

Long-Term Bonds Issued:

- (*) The Company's quarterly interest quoted on the Istanbul Stock Exchange amounting to TL 1.4 billion on 30 December 2021 with a maturity of 15 January 2027, TL 100.000 thousand on 31 May 2022 with a maturity of 23 May 2025, and TL 600.000 thousand on 08 December 2022 with a maturity of 04 December 2025 with a coupon interest rate of %49,75 bond issuance.

The repayment schedule of the financial liabilities is as follows:

	30.06.2024	31.12.2023
Within 1 year	2.014.239	1.848.209
1 - 2 years	17.130.754	12.607.529
2 - 3 years	1.564.131	4.431.565
3 - 4 years	--	1.746.284
	20.709.124	20.633.587

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 19).

	Average Interest rate %	Foreign currency		Amount "TL"	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
<i>Current borrowings</i>					
- TL	52,57	--	--	1.071.831	843.679
- ABD\$	10,46	3.654	8.080	119.939	237.871
- EUR	10	1.956	--	68.710	--
<u>Joint ventures</u>					
Nurol LLC. Loans		--	60.192	--	479.749
<i>Current finance lease payables:</i>					
- TL financial lease payables		--	--	2.535	6.086
Short-term bond issues		--	--	500.000	--
Interest accruals		--	--	251.224	280.824
				2.014.239	1.848.209

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

7. Financial Borrowings (Continued)

Summary of current and non-current borrowings are as follows:

	Average Interest rate %	Foreign currency		Amount "TL"	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
<i>Non-current borrowings</i>					
- TL	52,57	--	--	2.620	6.449
- USD	10,46	15.000	52.395	492.393	1.542.397
- EUR	10	100.000	124.735	3.512.840	4.063.092
<i>Joint ventures</i>					
Nurol LLC loans		86.394	111.363	767.783	887.605
Nurol Gürcistan LLC loans		30.122	37.576	353.454	411.894
<i>Non-current finance lease payables:</i>					
- TL financial lease payables		2.257.445	2.207.840	3.704	4.620
Long-term bond issues		2.257.445	2.207.840	2.000.000	3.118.365
<i>Reclassified financial liabilities (*)</i>					
- TL		--	--	2.257.445	2.207.840
- USD		240.855	164.166	7.906.354	4.832.758
- EUR		39.805	52.507	1.398.292	1.710.358
				18.694.885	18.785.378

(*) Bank loans are generally obtained in connection with construction and contracting activities carried out. Based on agreements made with creditor banks (written or none written) the repayment of the loans will be made by discharge of progress billing realized over the construction period. The maturity date of the loans is revised subject to extensions made in the completion periods according to the status of the projects. Reclassified bank loans are short term financial liabilities according to signed legal documents. However, they are considered as long-term bank loans economically because they have been and they are rolled over to the following years. As a result, reclassified bank loans are in economic substance long term bank loan.

8. Other Receivables and Payables

	30.06.2024	31.12.2023
<i>Other current receivables</i>		
Due from related parties and shareholders (Note 4)	31.354	20.491
Advances given to personnel	1.861	4.159
Deposits and guarantees given		
- Nurol LLC	891.966	954.228
- Nurol Romanya Branch	20.097	53.480
- Nurol Gülermak Makyol Joint Venture	126	157
Other receivables		
- Nurol Cezayir Branch	4.322	3.609
- Nurol İnşaat	5.519	2.026
- Other	--	51
Doubtful other receivables	1.864	1.978
Provision for doubtful other receivables (-)	(1.864)	(1.978)
	955.245	1.038.201

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

8. Other Receivables and Payables (Continued)

Movement of other doubtful receivables is as follows:

	01.01- 30.06.2024	01.01- 31.12.2023
Opening Balance, 01 January	1.978	3.274
Provisions during the period (Note 24)	278	38
Collections/provisions no longer required (-) (Note 24)	--	--
Monetary loss / gain	(4.120)	(5.290)
Closing Balance, 30 June	(1.864)	(1.978)
	30.06.2024	31.12.2023
Other non-current receivables		
Due from related parties (Note 4)	187.428	209.658
Deposits and guarantees given	8.788	15.154
	196.216	224.812
	30.06.2024	31.12.2023
Other current payables		
Deposits and guarantees received	126.831	104.283
Due to related parties (Note 4)	2	2.496
Other	--	76
	30.06.2024	31.12.2023
Other non-current payables		
Due to related parties (Note 4)	1.105.983	1.378.567
Deposits and guarantees received	49.267	93.785
	1.155.250	1.472.352

9. Inventories

	30.06.2024	31.12.2023
Construction materials	45.485	189.161
Investment properties under construction		
- Nurol İnşaat ve Ticaret A.Ş. (Yeşilyaka villas) (*)	3.295	3.130
- Romanya Branch	64.139	156.793
- Cezayir Branch	150.256	192.347
- Nurol Gülermak Makyol Joint Venture	32	614
Finished goods (predominantly completed residence construction projects)		
- Nurol İnşaat ve Ticaret A.Ş. (Yeşilyaka villas) (*)	253.393	175.281
Merchandise		
- Nurol Georgia LLC (**)	67.201	26.023
- Özgün Nurol	3.515	706
Other inventories	4.796	3.208
	592.112	747.263

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

9. Inventories (Continued)

- (*) Mesa NuroI 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.
- (**) NuroI 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.

10. Prepaid Expenses and Deferred Income

	30.06.2024	31.12.2023
<i>Prepaid expenses in current assets</i>		
Order advances given for inventories	139.907	85.871
Prepaid expenses (*)	70.775	24.078
	210.682	109.949

- (*) Prepaid expenses of TL 24.325 thousand consist of all risk insurances made within the scope of NuroI LLC's projects started in 2018 and still ongoing in Abu Dhabi. TL 21.436 thousand of it consists of all risk insurances within the scope of the ongoing project in Algeria. The remaining of the balance consists of insurance expenses classified in accordance with the periodicity principle.

	30.06.2024	31.12.2023
<i>Prepaid expenses in non-current assets</i>		
Prepaid expenses	1.212	--
	1.212	--

	30.06.2024	31.12.2023
<i>Prepaid expenses in current assets</i>		
<i>Advances received</i>		
-NuroI Cezayir Branch	70.808	79.436
-NuroI İnşaat (*)	428.889	537.382
-NuroI Gülermak Makyol Joint Venture	50	3.430
-NuroI Mesa Joint Venture	4	4.147
- Other Advances	--	--
Prepaid expenses	1.910	188
	501.661	624.583

- (*) As of 30 June 2024, TL 403.517 of advances received by NuroI İnşaat is comprised of advances received from Nestle Türkiye Gıda Sanayi A.Ş. as part of the Dry Pet Food Factory project.

	30.06.2024	31.12.2023
<i>Prepaid expenses in non-current assets</i>		
<i>Advances received</i>		
- Mesa NuroI Yeşilyaka Villas (NuroI İnşaat)	698.826	523.714
	698.826	523.714

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

11. Available for Sale Financial Assets

	30.06.2024	31.12.2023
Stocks	226.334	186.932
	226.334	186.932

(*) As of 30 June 2024, TL 226.334 thousand of the Group's shares is comprised of the shares of Nurol GYO in Nurol LLC. (31 December 2023: TL 149.864 thousand).

12. Receivables and Payables from Ongoing Construction and Project Contracts

		30.06.2024		31.12.2023	
		Receivables from Constructio n Contracts	Payables Related to Constructio n Contracts	Receivables from Constructio n Contracts	Payables Related to Constructio n Contracts
	%				
Nurol LLC projects		375.072	432.868	837.140	139.660
Silifke Mut Road Project (Nurol İnşaat)	28	470.343	375.937	275.898	--
İzmir Çiğili Tramway Line Construction (Nurol İnşaat)	99	16.367	121.562	259.867	--
Ümraniye-Ataşchir-Göztepe Metro Construction Project (Nurol Gülermak Makyol Joint Venture)	80	785.324		188.651	--
Dry Pet Food Factory project (Nurol İnşaat)	65	493.012	--	139.002	--
TUSAŞ-B557 Manufacturing and R&D Building (Nurol İnşaat)	93	4.110	81.973	114.569	--
TUSAŞ-B1070 Test Building (Nurol İnşaat)	99	2.339	121.816	38.105	--
Yusufeli Group Dam Bridge Extension Works (Gülsan Nurol Joint Venture)	99	--	55.191	10.170	--
Ordu Highway Landslide Reclamation Works (Nurol YDA Özka Joint Venture)	23	16.711	142.361	8.075	--
Republic Asia Region Treatment Plant Construction (Alkatas Nurol Joint Venture)	--	8.203	--	--	--
		2.171.481	1.331.708	1.871.477	139.660

13. Joint Ventures

	Shareholders Rate (%)		Amount	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Nurol Gayrimenkul Yat. Ort. A.Ş.	3,10	3,10	392.609	392.608
Nurol Göksu Elektrik Üretim A.Ş.	5	5	107.008	107.009
Nurol Sigorta Aracılık Hizmetleri A.Ş.	39,7	39,7	61.673	61.673
Nurol Enerji Üretim Paz. A.Ş.	0,05	0,05	58.339	58.338
Otoyol Deniz Taşımacılığı A.Ş.	25,17	25,17	14.468	14.468
Otoyol İşletme ve Bakım A.Ş.	25,95	25,95	10.933	10.933
Nurol Construction Germany Gmbh	100	--	852	--
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.	0,13	0,13	252	252
Nurol Construction S.A.	100	100	257	257
Other	--	--	177	177
			646.568	645.715

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

14. Property, Plant and Equipment

As of 30 June 2024, details of property, plant and equipment were as follows:

	31.12.2023	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2024
<i>Cost</i>						
Land	32.511	--	--	(4.610)	--	27.901
Land improvements	11.505	57	--	843	--	12.405
Buildings	486.668	259	(2.218)	(42.688)	--	442.021
Machinery and equipment	2.275.761	13.969	(116.188)	(131.042)	--	2.042.500
Motor vehicles	540.411	7.922	(2.402)	(22.630)	--	523.301
Fixtures and fittings	453.636	4.708	(10.894)	(35.481)	--	411.969
Other property, plant and equipment	1.515.379	1.288	(34.998)	(164.593)	--	1.317.076
	5.315.871	28.203	(166.700)	(400.201)	--	4.777.173
<i>Accumulated depreciation (-)</i>						
Land improvements	1.170	127	--	--	--	1.297
Buildings	283.839	2.647	--	(20.256)	(13.070)	253.160
Machinery and equipment	1.091.330	54.254	(100.691)	(81.652)	--	963.241
Motor vehicles	239.511	6.488	(1.583)	(18.700)	--	225.716
Fixtures and fittings	344.252	3.073	(10.395)	(21.254)	--	315.676
Other property, plant and equipment	2.019.291	1.635	(34.149)	(176.711)	--	1.810.066
	3.979.393	68.224	(146.818)	(318.573)	(13.070)	3.569.156
Net Book Value	1.336.478					1.208.017

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

14. Property, Plant and Equipment (Continued)

As of 30 June 2023, details of property, plant and equipment were as follows:

	31.12.2022	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2023
<i>Cost</i>						
Land	33.937	--	--	6.237	--	40.174
Land improvements	11.517	82	(22)	(437)	--	11.140
Buildings	508.352	5.606	(6.382)	60.941	--	568.517
Machinery and equipment	2.636.626	93.117	(357.528)	197.573	--	2.569.788
Motor vehicles	569.030	834	(12.669)	32.660	--	589.855
Fixtures and fittings	449.336	4.806	(3.519)	48.759	--	499.382
Other property, plant and equipment	1.640.603	208	--	168.642	--	1.809.453
	5.849.401	104.653	(380.120)	514.375	--	6.088.309
<i>Accumulated depreciation (-)</i>						
Land improvements	1.492	93	(12)	--	--	1.573
Buildings	251.575	2.603	(1.891)	29.439	--	281.726
Machinery and equipment	1.429.454	73.813	(344.885)	138.521	--	1.296.903
Motor vehicles	285.870	7.627	(10.816)	19.702	--	302.383
Fixtures and fittings	348.209	3.420	(2.462)	37.760	--	386.927
Other property, plant and equipment	2.014.526	11.986	--	209.688	--	2.236.200
	4.331.126	99.542	(360.066)	435.110	--	4.505.712
Net Book Value	1.518.275					1.582.597

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

14. Property, Plant and Equipment (Continued)

The distribution of depreciation and amortization charge for the Group is as follows:

	01.01- 30.06.2024	01.01- 30.06.2023
Depreciation of property, plant and equipment	68.224	99.542
Amortization of intangible assets (Note 18)	783	1.201
	69.007	100.743
	01.01- 30.06.2024	01.01- 30.06.2023
Cost of sales	36.728	38.691
General administrative expenses	32.279	62.052
	69.007	100.743

15. Investments Recognized Using the Equity Method

In the accompanying consolidated financial statements as of 30 June 2024 and 2023, the Group has recognized Otoyol Yatırım ve İşletme A.Ş. with the equity method.

As of 30 June 2024, recorded value of Otoyol Yatırım İşletme A.Ş., which has been valued using the equity method and 25.95% (31 December 2023: 25.95%) of the shares are owned by the Group, USD 3.981.071 thousand (31 December 2022: USD 3.617.278 thousand) as of 31 December 2023, total equity is TL 33.912.354 thousand (31 December 2023: TL 36.179.179 thousand).

As of 30 June 2024 and 2023, profit share of investments of the Group recognized using the equity method is TL 4.907.425 thousand and TL 13.287.664 thousand, respectively.

16. Goodwill

As of 30 June 2024 and 2023, goodwill in the accompanying consolidated financial statements of the Group is related to the share purchase of Otoyol Yatırım ve İşletme A.Ş. The Group has purchased a part of the shares of Yüksel İnşaat and Göçay İnşaat, being shareholders of Otoyol Yatırım ve İşletme A.Ş., and has paid goodwill in the amount of TL 236.308 thousand.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

17. Investment Properties

As of 30 June 2024 details of investment properties are as follows:

	31.12.2023	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2024
<i>Cost</i>						
Land	1.896.803	--	(71.722)	--	--	1.825.081
Buildings	5.391.748	--	(11.437)	--	(13.070)	5.367.241
Georgia Batumi Sheraton Hotel	4.884.518	41.832	(6.496)	(935.534)	--	3.984.320
Net Book Value	12.173.069	41.832	(89.655)	(935.534)	(13.070)	11.176.642

As of 30 June 2023 details of investment properties are as follows:

	31.12.2022	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2023
<i>Cost</i>						
Land	1.729.930	--	--	--	--	1.729.930
Buildings	1.686.447	--	(15.088)	--	--	1.671.359
Georgia Batumi Sheraton Hotel	3.704.392	--	--	(204.761)	--	3.499.631
Net Book Value	7.120.769	--	(15.088)	(204.761)	--	6.900.920

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

18. Intangible Assets

As of 30 June 2024 and 31 December 2023, details of intangible assets are as follows:

	31.12.2023	Additions	Disposals	Foreign currency translation differences	30.06.2024
<i>Cost</i>					
Rights	17.286	1.469	--	94	18.849
Other Intangible Assets	278	--	--	--	278
	17.564	1.469	--	94	19.127
<i>Accumulated amortization (-)</i>					
Rights	14.534	783	--	534	15.851
Other intangible assets	732	--	--	--	732
	15.266	783	--	534	16.583
Net Book Value	2.298				2.544

	31.12.2022	Additions	Disposals	Foreign currency translation differences	30.06.2023
<i>Cost</i>					
Rights	15.514	259	--	288	16.061
Other Intangible Assets	460	--	--	(76)	384
	15.974	259	--	212	16.445
<i>Accumulated amortization (-)</i>					
Rights	11.433	1.201	--	652	13.286
Other intangible assets	983	--	--	--	983
	12.416	1.201	--	652	14.269
Net Book Value	3.558				2.176

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

19. Provisions, Contingent Assets and Liabilities

	30.06.2024	31.12.2023
<i>Current provisions</i>		
Provision for litigations	44.132	23.091
	44.132	23.091

As of 30 June 2024 and 2023, the movement table of provision for lawsuits is as follows:

	01.01- 30.06.2024	01.01- 30.06.2023
<i>Opening balance</i>	23.727	46.630
Additional provision made during the period (Note 24)	25.620	693
Companies excluded from consolidation	--	--
Provision that has no subject (-) (Note 24)	--	(15.898)
Monetary Gain / Loss	(5.215)	(7.698)
Closing balance	44.132	23.727

As of 30 June 2024, the Group has made a provision of TL 44.132 thousand (31 December 2023: TL 23.091 thousand) according to the opinion of its legal counsel against pending lawsuits against the Group.

Letters of guarantee received by the Group are as follows:

Letters of guarantee received from customers	30.06.2024		31.12.2023	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
<i>Letters of guarantee received</i>				
-TL	414.182	414.182	358.233	446.840
-USD	2.025	66.473	3.287	96.763
-EUR	1.546	54.309	2.407	78.405
<i>Cheques and notes received</i>				
-TL	3.310	3.310	1.310	1.634
-USD	133	4.366	133	3.915
Total		542.640		627.557

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

19. Provisions, Contingent Assets and Liabilities (Continued)

Collaterals, pledges and mortgages CPM given by the Group As of 30 June 2024 and 31 December 2023 are as follows:

	30.06.2024	31.12.2023
A CPM's given in the name of own legal personality	21.710.128	13.182.982
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	--	--
	21.710.128	13.182.982

As of 30 June 2024 and 31 December 2023, details of the CPM's given in the name of own legal personality are as follows

	Foreign Currency Amount					30.06.2024
	TL	USD	EUR	DZD	RON	TL Equivalent
Letters of guarantee	1.740.340	27.813	77.285	986.108	423.483	8.581.011
Suretyship	--	271.481	--	--	--	8.911.690
Mortgage	1.195.303	56.750	33.000	--	--	4.217.427
	2.935.643	356.044	110.285	986.108	423.483	21.710.128
	Foreign Currency Amount					31.12.2023
	TL	USD	EUR	DZD	RON	TL Equivalent
Letters of guarantee	2.553.914	26.624	68.634	953.131	110.343	7.132.876
Suretyship	10.132	17.174	3.568	--	--	634.434
Mortgage	1.357.200	56.750	63.000	--	--	5.415.672
	3.921.246	100.548	135.202	953.131	110.343	13.182.982

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

20. Employee Benefits

a) Current liabilities for employee benefits

	30.06.2024	31.12.2023
Due to personnel	95.624	59.468
Social security premiums payable	33.472	33.569
	129.096	93.037

b) Provision for employee benefits

b.1) Current

	30.06.2024	31.12.2023
Unused vacation provision	59.487	71.533
	59.487	71.533

b.2) Non-Current

	30.06.2024	31.12.2023
Provision for employee termination benefits	148.367	164.862
	148.367	164.862

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 41.828,42 for each period of service at 30 June 2024 (31 December 2023: TL 41.828,42).

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.

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

	30.06.2024	31.12.2023
Interest rate	25,05%	25,05%
Inflation rate	21,41%	21,41%

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

20. Employee Benefits (Continued)

Provision for employee termination benefits (continued)

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

	01.01 – 30.06.2024	01.01 – 30.06.2023
Opening balance,01 January	207.360	206.848
Current year provision	2.550	15.622
Actuarial loss / gain	21.392	1.902
Interest cost (Note 24)	1.322	2.953
Termination benefits paid	(15.497)	(20.508)
Currency translation differences	13.991	35.359
Monetary gain / loss	(82.751)	(34.816)
Closing balance, 30 June	148.367	207.360

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 2024, the total amount of short-term salaries, bonuses and other similar benefits provided to the Group's top executives is TL 29.757 thousand (31 December 2023: TL 38.199 thousand).

21. Other Assets and Liabilities

	30.06.2024	31.12.2023
<i>Other current assets</i>		
VAT carried forward	188.172	268.756
VAT receivables	162.867	158.380
<i>Advances given for business purposes</i>		
- Nurol İnşaat ve Ticaret A.Ş.	71.491	4.458
- Nurol Gülermak Makyol Joint Venture	71.537	94.118
- Alkatas Nurol Joint Venture	31	--
- Gülsan Nurol Joint Venture	19	24
- Özgün Nurol Joint Venture	15	--
<i>Advances given to subcontractors</i>		
- Nurol İnşaat ve Ticaret A.Ş.	243.104	337.185
- Nurol Gülermak Makyol Joint Venture	102.251	172.382
- Nurol LLC	59.358	69.419
- Nurol Cezayir Branch	15.469	17.432
- Nurol Romanya Branch	45.180	2.109
- Gülsan Nurol Joint Venture	282	750
- Nurol YDA Özka Joint Venture	4	4
Other	82	1
	959.862	1.125.018

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

21. Other Assets and Liabilities (Continued)

	30.06.2024	31.12.2023
<i>Other current liabilities</i>		
Taxes and funds payable		
- Nurol Cezayir Branch	332.122	388.486
- Nurol İnşaat ve Ticaret A.Ş.	37.280	72.718
- Nurol Georgia	10.961	13.935
- Nurol Gülermak Makyol Joint Venture	6.663	7.494
- Nurol Mesa Joint Venture	2.455	1.547
- Alkatas Nurol Joint Venture	628	--
- Gülsan Nurol Joint Venture	453	1.750
- Nurol YDA Özka Joint Venture	103	8.072
- Nurol Romanya Branch	--	3.799
Other	25	32
	390.690	497.833
	30.06.2024	31.12.2023
<i>Other non-current liabilities</i>		
- Nurol Cezayir Branch	87	88
	87	88

22. Equity

a) Share Capital

The composition of shareholders and their respective percentage of ownership is as follows:

	30.06.2024	Share (%)	31.12.2023	Share (%)
Nurol Holding A.Ş.	899.533	99,95	899.533	99,95
Nurettin Çarmıklı	137	< 1	137	< 1
Mehmet Oğuz Çarmıklı	137	< 1	137	< 1
Figen Çarmıklı	137	< 1	137	< 1
Aynur Türkan Çarmıklı	28	< 1	28	< 1
Müjgan Sevgi Kayaalp	28	< 1	28	< 1
	900.000		900.000	
Inflation adjustment	3.976.739		3.976.739	
	3.976.739		3.976.739	

The Company's capital consists of 900.000 thousand shares, each with a nominal value of TL 1 (one Turkish Lira) (31 December 2023: 900.000) thousand shares, each with a nominal value of TL 1 (one Turkish Lira).

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

22. Equity (Continued)

b) Other equity items

Other Comprehensive Income not to be Reclassified to Profit or Loss

	30.06.2024	31.12.2023
Defined benefit plans remeasurement gains/ losses	(36.733)	(19.122)
	(36.733)	(19.122)

Other Comprehensive Income to be Reclassified to Profit or Loss

	30.06.2024	31.12.2023
Foreign currency translation	(600.339)	(1.832.687)
Revaluation of financial assets available for sale	(82.220)	(176.444)
	(682.559)	(2.009.131)

Restricted reserves separated from profit

	30.06.2024	31.12.2023
Legal reserves	501.387	502.367
	501.387	502.367

Legal reserves are set aside as first-order legal reserves until 5% of the "profit" reaches 20% of the paid/issued capital, pursuant to the first paragraph of Article 519 of the New TCC No. 6102. After deducting the amount set aside as the first-order reserve fund from the "profit", the first dividend is set aside for the shareholders from the remaining amount. The General Assembly is authorized to decide whether to allocate or distribute the remaining balance after the first legal reserve fund and the first dividend, taking into account the profit distribution policy of the Company. II. the legal reserve fund, pursuant to the 3rd subparagraph of the 2nd paragraph of the 519th article of the New TCC; One tenth of the amount found after deducting 5% of the issued/paid-up capital from the portion that has been decided to be distributed is set aside. In case it is decided to distribute bonus shares by adding the profit to the capital, II. legal reserves are not set aside.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution, will be subject to corporate income tax.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

23. Revenue and Cost of Sales

	01.01. - 30.06.2024	01.01. - 30.06.2023
Domestic sales	4.202.553	5.817.275
Foreign sales	2.180.356	4.574.373
Sales return (-)	(136)	(192)
Revenue	6.382.773	10.391.456
Cost of sales (-)	(5.713.435)	(8.771.095)
Gross profit	669.338	1.620.361

The detail of revenue is summarized as follows:

	01.01. - 30.06.2024	01.01. - 30.06.2023
Domestic sales		
- Nurol İnşaat ve Ticaret A.Ş. (Domestic)	2.302.605	3.463.519
- Nurol Gülermak Makyol Joint Venture	1.150.813	1.163.309
- Gülsan Nurol Joint Venture	16.442	253.476
- Nurol YDA Özka Joint Venture	79.804	211.100
- Alkataş Nurol Joint Venture	10.538	--
Foreign sales		
- Nurol İnşaat ve Ticaret A.Ş. (Foreign)	2.019.951	3.815.052
- Nurol LLC	385.422	4.861.318
- Nurol Romania Branch	153.186	2.684.489
- Nurol Algeria Branch	146.807	1.181.335
- Nurol Georgia Branch	117.341	433.016
	6.382.909	18.066.614
Sales return (-)	(136)	(1.678)
	6.382.773	18.064.936

24. Other Income and Expenses from Operating Activities

	01.01. - 30.06.2024	01.01. - 30.06.2023
Other income from operating activities		
Incentive income	8.374	3.386
Rediscount interest income	4.456	--
Income from sales of scrap and raw materials	2.661	1.360
Nurol LLC insurance income	2.196	43.123
Reversal of unpaid vacation provision	1.346	--
Reversal of doubtful debt provision (Note 6, 9)	203	939
Reversal of litigation provision (Note 20)	--	15.898
Other	1.273	5.500
	20.509	70.206

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

24. Other Income and Expenses from Operating Activities (Continued)

	01.01. - 30.06.2024	01.01. - 30.06.2023
<i>Other expenses from operating activities</i>		
Litigation and provision expenses (Note 19)	(25.620)	(693)
Rediscount expense	(11.281)	(7.259)
Doubtful debt provision expenses (Note 6, 8)	(5.645)	(14.359)
Expenses under Law No. 7194	(1.921)	(135.172)
Retirement pay provision interest expense (Note 20)	(1.322)	(2.953)
Scrap, raw material and material sales losses	(664)	--
Donation and grants	(152)	(1.206)
Article 31 of the Turkish Tax Procedure Law	--	(57.740)
Other	(1.986)	--
	(48.591)	(219.382)

25. Income and Expenses from Investing Activities

	01.01. - 30.06.2024	01.01. - 30.06.2023
<i>Income from investing activities</i>		
Rent income	70.960	19.222
Dividend income (*)	69.940	3.331
Profit from sale of property, plant and equipment	21.718	16.181
Value increases of investment properties	8.384	
	171.002	38.734

(*) Dividend income of TL 64.517 thousand is comprised from Otoyo! Bakım ve İşletme A.Ş.

	01.01. - 30.06.2024	01.01. - 30.06.2023
<i>Expenses from investing activities</i>		
Loss from sale of property, plant and equipment	(12.932)	(79)
Value impairment of investment properties	--	(757.738)
	(12.932)	(757.817)

26. Financial Income and Expenses

	01.01. - 30.06.2024	01.01. - 30.06.2023
<i>Financial Income</i>		
Foreign exchange income	790.791	1.774.559
Interest income	232.519	137.718
	1.023.310	1.912.277

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

26. Financial Income and Expenses (Continued)

<i>Financial Expenses</i>	01.01. - 30.06.2024	01.01. - 30.06.2023
Foreign exchange expenses	(3.266.580)	(6.674.361)
Interest expenses	(1.950.702)	(1.335.216)
Bond issuance interest expenses	(795.448)	(711.334)
Bank commission expenses	(96.981)	(143.969)
Letters of guarantee expenses	(12.234)	(17.270)
Decrease of in value of marketable securities	--	(299)
	(6.121.945)	(8.882.449)

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

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

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

In case of distribution, 15% Income Tax Withholding is calculated. The addition of the period profit to the capital is not considered as profit distribution and no withholding tax is applied.

Corporations calculate a 25% temporary tax on their quarterly financial profits and declare it until the 17th day of the second month following that period and pay it until the evening of the 17th day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year.

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

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses cannot be offsite from last year's profits.

There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the 30th day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change. The Corporate Tax rate will be applied as 25% for the corporate earnings for the 2023 taxation period.

For the accounting periods ending on 30 June 2024 and 2023 the details of tax provision in the statements of income are as follows:

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

United Arab Emirates

As of 30 June 2024, 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 subject to 9% corporate tax in the U.A.E as of 1 January 2024.

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. The corporate income tax rate in Georgia is 15%. Branch income is taxed at the general rate of 15% upon its 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). Income tax rate is 23%. The Group is to state VAT information to the tax office of the previous month, to the 15th of the current month and pay till the end of the current month. The VAT rate is 19%.

As of the 30 June 2024 and 2023 balance sheet date, the tax liability details are as follows:

	01.01. - 30.06.2024	01.01. - 30.06.2023
Current period tax expense	--	--
Deferred tax income / (expense)	592.470	1.149.880
	592.470	1.149.880

The tax provision in the balance sheet for the accounting periods ended as of 31 December 2023 and 2022 is as follows;

Current	30.06.2024	31.12.2023
Current period corporate tax provision	52.695	97.733
Prepaid taxes (-) (*)	(259.142)	(95.807)
	(206.447)	1.926

(*) 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% (2023: 25%). 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	30.06.2024	31.12.2023
Prepaid taxes (-) (**)	341.911	312.682
	341.911	312.682

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

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

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

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.

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

<i>Deferred tax assets / (liabilities)</i>	30.06.2024	31.12.2023
Ongoing constructions	1.702.011	1.740.647
Litigation provision	11.033	5.786
Provisions for employee benefits	5.124	1.973
Provision for doubtful receivables	5.110	5.752
Valuation of goodwill	11.715	(23.223)
Adjustments related to tangible and intangible fixed assets	1.664.442	1.477.181
Unused vacation provision	4.932	5.422
Written off assets	169.817	207.593
Unaccrued finance expenses, (net)	6.748	7.686
Provision for inventories	12.937	7.817
Accrual of time deposit interest	(111)	--
Valuation of investment properties	(1.410.692)	(1.912.215)
Depreciation adjustment	(66.431)	--
Valuation of financial investments	32.014	(63.446)
Unaccrued finance expenses, (net)	(3.819)	(5.820)
Ongoing constructions	(87.420)	(66.546)
Other, (net)	145	46
Deferred tax assets / (liabilities), net	2.057.555	1.388.653

As of 30 June, the movement table of the Group's deferred tax assets / liabilities is as follows:

	01.01. - 30.06.2024	01.01. - 30.06.2023
<i>Opening balance, 01 January</i>	1.388.653	(299.051)
Period deferred tax income (expense)	592.470	1.149.880
Deferred tax attributable to equity	3.781	356
Tax attribute to monetary loss / gain	72.651	15.065
Deferred tax assets / (liabilities), net	2.057.555	866.250

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

28. Earnings Per Share

Earnings per share (EPS) 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. - 30.06.2024	01.01. - 30.06.2023
Profit/(loss) for the period	(3.968.963)	8.099.837
Weighted average number of shares with nominal value	900.000	900.000
Earnings per share	(4,4099)	8,9998

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 Management Policies and Procedures

The primary objective of the Group's capital management objectives is to ensure that it maintains a healthy capital structure in order to support its business and maximize shareholder value.

As of 30 June 2024 and 2023, the Group monitors the capital by using the net financial debt / used capital ratio. This ratio is found by dividing the financial debt used by the capital.

	01.01. - 30.06.2024	01.01. - 31.12.2023
Total financial liabilities	20.709.124	20.633.587
Less: cash and cash equivalents	(2.637.504)	(1.263.693)
Net financial debt	18.071.620	19.369.894
Total equity	27.234.082	29.895.064
Used capital	45.305.702	49.264.958
Net debt/used capital	40%	39%

b) Financial Risk Factors

The main risks posed by the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The company management and board of directors examine and accept the policies regarding the management of the following risks. The Company also considers the market value risk of all its financial instruments.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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				Bank Deposits	Other
	Trade Receivables		Other Receivables			
	Related party	Third party	Related party	Third party		
Current Period (30 June 2024)						
<i>Maximum credit risk exposures as of report date</i>						
<i>(A+B+C+D)</i>	16.430	3.165.477	218.782	932.679	2.624.009	--
- Secured part of maximum credit risk exposure via collateral etc.						--
A. Net book value of the financial assets that are neither overdue not impaired	16.430	3.165.477	218.782	932.679	2.624.009	--
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)	--	35.809	--	1.864	--	--
- Impairment (-)	--	(35.809)	--	(1.864)	--	--
- 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	--	--	--	--	--	--

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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 (continued)

	Receivables					
	Trade Receivables		Other Receivables		Bank Deposits	Other
	Related Party	Third Party	Related Party	Third Party		
Current Period (31 December 2023)						
<i>Maximum credit risk exposures as of report date</i>						
<i>(A+B+C+D)</i>	7.596	3.544.153	230.149	1.032.864	1.250.652	--
- Secured part of maximum credit risk exposure via collateral etc.						
A. Net book value of the financial assets that are neither overdue not impaired	7.596	3.544.153	230.149	1.032.864	1.250.652	--
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)	--	38.225	--	1.978	--	--
- Impairment (-)	--	(38.225)	--	(1.978)	--	--
- 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	--	--	--	--	--	--

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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 table

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	Book Value	Cash Per Contract	Less than 3 Months (I)	Between 3-12 Months (II)	Between 1-5 Years (III)	Longer Than 5 Years (IV)
30 June 2024		Total Disposals (I+II+III+IV)				
Bank credits	18.202.886	18.202.886	377.926	1.133.779	16.691.181	--
Issues of debt securities	2.500.000	2.500.000	--	--	2.500.000	--
Finance lease obligations	6.239	6.239	634	1.901	3.704	--
Trade payables	8.391.558	8.391.558	--	4.689.630	3.701.928	--
Other debts	2.482.570	2.482.570	--	628.494	1.854.076	--
Total Liability	31.583.253	31.583.253	378.560	6.453.804	24.750.889	--
Contractual Maturities	Book Value	Cash Per Contract	Less than 3 Months (I)	Between 3-12 Months (II)	Between 1-5 Years (III)	Longer Than 5 Years (IV)
31 December 2023		Total Disposals (I+II+III+IV)				
Bank credits	17.504.517	17.504.517	460.531	1.381.593	15.662.393	--
Issues of debt securities	3.118.365	3.118.365	--	--	3.118.365	--
Finance lease obligations	10.705	10.705	1.521	4.564	4.620	--
Trade payables	6.530.099	6.530.099	--	3.076.747	3.453.352	--
Other debts	2.186.643	2.186.643	--	584.654	1.601.989	--
Total Liability	29.350.329	29.350.329	462.052	5.047.558	23.840.719	--

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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 management

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

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

b.3.1) Foreign currency risk management

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.

	30.06.2024	31.12.2023
Foreign currency assets	4.473.440	4.609.143
Foreign currency liabilities	(21.903.154)	(16.762.109)
Net foreign currency position	(17.429.714)	(12.152.966)

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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 management (continued)

b.3.1) Foreign currency risk management (continued)

30.06.2024	USD	EUR	RUB	DZD	AED	GEL	RON	TL Equivalent
1. Trade receivables	299	356	--	3.364.663	84.774	760	30.858	1.822.868
2a. Monetary financial assets, (cash	5.488	291	187	817.098	208.397	2.625	8.370	2.331.636
2b. Non-monetary financial assets								
3. Other	2.277	1.849	--	420.981	--	--	10.578	316.740
4. Current assets (1+2+3)	8.064	2.496	187	4.602.742	293.171	3.385	49.806	4.471.244
5. Trade receivables								
6a. Monetary financial assets								
6b. Non-monetary financial assets								
7. Other	43	--	--	3.209	--	--	--	2.196
8. Non-current assets (5+6+7)	43	--	--	3.209	--	--	--	2.196
9. Total assets (4+8)	8.107	2.496	187	4.605.951	293.171	3.385	49.806	4.473.440
10. Trade payables	3.395	4.634	--	1.496.627	139.347	6.957	211.330	3.442.826
11. Financial liabilities								
12a. Other monetary liabilities								
12b. Other non-monetary liabilities	892	902	--	289.945	--	--	--	131.774
13. Current liabilities (10+11+12)	4.287	5.536	--	1.786.572	139.347	6.957	211.330	3.574.600
14. Trade payables	75.855	34.499	--	--	--	--	--	3.701.926
15. Financial liabilities	268.509	133.351	--	--	86.394	30.122	--	14.619.778
16a. Other monetary liabilities	206	--	--	361	--	--	--	6.850
16b. Other non-monetary liabilities								
17. Non-current liabilities (14+15+16)	344.570	167.850	--	361	86.394	30.122	--	18.328.554
18. Total liabilities (13+17)	348.857	173.386	--	1.786.933	225.741	37.079	211.330	21.903.154
19. Net foreign assets / (liability) position (9-18+19)	(340.750)	(170.890)	187	2.819.018	67.430	(33.694)	(161.524)	(17.429.714)
19. Net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(342.178)	(171.837)	187	2.684.773	67.430	(33.694)	(172.102)	(17.616.876)

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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 management (continued)

b.3.1) Foreign currency risk management (continued)

31.12.2023	USD	EUR	RUB	DZD	AED	GEL	PLN	RON	TL Equivalent	Indexed TL Equivalent
1. Trade receivables	--	9	--	7.998.506	55.025	776	--	13.926	2.294.838	2.862.457
2a. Monetary financial assets, (cash	3.211	4.901	187	228.732	33.763	4.079	2	5.233	652.316	813.664
2b. Non-monetary financial assets	--	--	--	--	--	--	--	--	--	--
3. Other	267	103	--	13.171	206.156	--	--	619	1.661.284	2.072.196
4. Current assets (1+2+3)	3.478	5.013	187	8.240.409	294.944	4.855	2	19.778	4.608.438	5.748.316
5. Trade receivables	--	--	--	--	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--	--	--	--
7. Other	--	--	--	3.209	--	--	--	--	705	879
8. Non-current assets (5+6+7)	--	--	--	3.209	--	--	--	--	705	879
9. Total assets (4+8)	3.478	5.013	187	8.243.618	294.944	4.855	2	19.778	4.609.143	5.749.196
10. Trade payables	1.475	3.599	--	2.231.007	157.777	2.008	--	15.466	2.030.933	2.533.276
11. Financial liabilities	648	--	--	--	48.256	--	--	--	403.696	503.549
12a. Other monetary liabilities	--	--	--	289.945	--	--	--	--	63.684	79.436
12b. Other non-monetary liabilities	--	--	--	--	--	--	--	--	--	--
13. Current liabilities (10+11+12)	2.123	3.599	--	2.520.952	206.033	2.008	--	15.466	2.498.313	3.116.260
14. Trade payables	88.761	25.800	--	--	--	--	--	--	3.453.371	4.307.548
15. Financial liabilities	173.617	142.095	--	--	89.280	30.125	--	--	10.781.375	13.448.104
16a. Other monetary liabilities	980	4	--	--	--	--	--	--	28.979	36.147
16b. Other non-monetary liabilities	--	--	--	321	--	--	--	--	71	89
17. Non-current liabilities (14+15+16)	263.358	167.899	--	321	89.280	30.125	--	--	14.263.796	17.791.887
18. Total liabilities (13+17)	265.481	171.498	--	2.521.273	295.313	32.133	--	15.466	16.762.109	20.908.148
19. Net foreign assets / (liability) position (9-18+19)	(262.003)	(166.485)	187	5.722.345	(369)	(27.278)	2	4.312	(12.152.966)	(15.158.952)
19. Net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(262.270)	(166.588)	187	5.706.286	(206.525)	(27.278)	2	3.693	(13.814.884)	(17.231.939)

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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 management (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 2024	31 December 2023
<i>Fixed Rate Financial Instruments</i>			
Financial Assets	<i>Time deposits</i>	1.700.124	283.341
	<i>Financial assets available for sale</i>	226.334	186.932
Financial Liabilities		6.239	6.238
<i>Variable Rate Financial Instruments</i>			
Financial Assets		--	--
Financial Liabilities		19.951.662	20.342.058

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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

30 June 2024	Financial assets/liabilities at amortized cost	Fair Value	Book Value
<i>Financial assets</i>			
Cash and cash equivalents	2.637.504	2.637.504	2.637.504
Trade receivables	3.165.477	3.165.477	3.165.477
Trade receivables from related parties	235.212	235.212	235.212
Other financial assets	226.334	226.334	226.334
<i>Financial liabilities</i>			
Financial liabilities	20.709.125	20.709.125	20.709.125
Trade payables	7.585.040	7.585.040	7.585.040
Trade payables to related parties	1.912.503	1.912.503	1.912.503
31 December 2023			
<i>Financial assets</i>			
Cash and cash equivalents	1.263.693	1.263.693	1.263.693
Trade receivables	3.544.153	3.544.153	3.544.153
Trade receivables from related parties	237.745	237.745	237.745
Other financial assets	186.932	186.932	186.932
<i>Financial liabilities</i>			
Financial liabilities	20.633.587	20.633.587	20.633.587
Trade payables	7.616.147	7.616.147	7.616.147
Trade payables to related parties	1.910.207	1.910.207	1.910.207

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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)
(Continued)**

Fair Value (continued)

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

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

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

Monetary assets

It is assumed that the carrying values of financial assets shown at cost, including cash and cash equivalents, are equal to their fair values due to their short-term nature.

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

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.

31. Events After the Reporting Date

None.

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

(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				
			12.914.335				
	2022 Current Ratio	=	----- 8.840.551	=		1,46	
			9.986.404				
	2023 Current Ratio	=	----- 7.340.301	=		1,36	
			11.194.269				
	30 June 2024 Current Ratio	=	----- 9.340.171	=		1,20	
			a+b+c				
	Average of Current Ratio for Three Years	=	----- d+e+f	=		1,34	

EQUITY RATIO

II -	Equity ----- Total Assets		TL				
			22.966.575				
	2022 Equity Ratio	=	----- 59.485.283	=		0,39	
			29.895.064				
	2023 Equity Ratio	=	----- 64.560.533	=		0,46	
			27.234.082				
	30 June 2024 Equity Ratio	=	----- 62.542.078	=		0,44	
			a+b+c				
	Average of Equity Ratio for Three Years	=	----- d+e+f	=		0,43	

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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

32. Consolidated Financial Statements Ratios (Continued)

III -	Short Term Bank Loans		TL	
	Equity			
	2022	=	$\frac{1.520.881}{22.966.575}$	= 0,07
	2023	=	$\frac{1.848.209}{29.895.064}$	= 0,06
	30 June 2024	=	$\frac{2.014.239}{27.234.082}$	= 0,07
	Average for Three Years	=	$\frac{a+b+c}{d+e+f}$	= 0,07