

**NUROL İNŞAAT VE TİCARET
A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS
AS OF 1 JANUARY-30 JUNE
2025 TOGETHER WITH THE
INDEPENDENT AUDITORS'
REPORT**

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

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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 2025 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 consolidated financial statements, the Company has fully consolidated its foreign construction companies and foreign branches, and has included its jointly controlled entities using the proportionate consolidation method. However, the Company has not applied full consolidation for its non-construction subsidiaries in which it holds more than 50% interest, nor has it applied the equity method for its non-construction associates in which it holds between 20% and 50% interest. These investments are accounted for at cost in the accompanying consolidated financial statements, as separate consolidated financial statements for such entities are prepared under Nurol Holding A.Ş. and are subject to independent audit (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 of Nurol İnşaat ve Ticaret Anonim Şirketi and its subsidiary as at 30 June 2025 and for the six-month period then ended, 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
Partner

18 August 2025
İstanbul, Türkiye

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
STATEMENT OF CONDENSED CONSOLIDATED FINANCIAL POSITION
AS OF 30 JUNE 2025 AND 31 DECEMBER 2024

(Currency –Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

ASSETS	Notes	Reviewed Current Period 30 June 2025 TL	Reviewed Current Period 30 June 2025 USD	Audited Prior Period 31 December 2024 TL	Audited Prior Period 31 December 2024 USD
Current Assets					
Cash and Cash Equivalents	5	2.159.129	54.328	3.420.990	83.243
Financial Investments	13	117.377	2.953	--	--
Trade Receivables					
- Trade receivables due from related parties	4	13.451	338	404	10
- Trade receivables due from third parties	6	7.980.548	200.807	5.452.011	132.664
Other Receivables					
- Other receivables due from related parties	4	115.357	2.903	83.945	2.043
- Other receivables due from third parties	8	1.763.800	44.381	1.154.918	28.103
Inventories	9	2.637.644	66.369	1.672.611	40.700
Receivables from Financial Sector Activities	12	2.542.332	63.970	5.178.940	126.019
Prepaid Expenses	10	199.682	5.024	341.054	8.299
Current Tax Assets	27	267.966	6.743	249.207	6.064
Other Current Assets	21	1.835.825	46.193	1.546.558	37.632
Current Assets Before Assets Held for Sale		19.633.111	494.009	19.100.638	464.777
Assets Held for Sale	11	176.884	4.451	213.918	5.205
Total Current Assets		19.809.995	498.460	19.314.556	469.982
Non-Current Assets					
Trade Receivables					
- Trade receivables due from related parties	4	--	--	20.532	500
- Trade receivables due from third parties	6	--	--	--	--
Other Receivables					
- Other receivables due from related parties	4	--	--	234.649	5.710
- Other receivables due from third parties	8	18.671	470	27.582	671
Subsidiaries	13	873.181	21.971	873.181	21.247
Investments Recognized Using the Equity	15	45.294.082	1.139.692	44.576.599	1.084.684
Investment Properties	17	14.803.392	372.484	15.120.029	367.916
Property, Plant and Equipment	14	1.394.170	35.080	1.652.572	40.212
Intangible Assets					
- Goodwill	16	319.131	8.030	319.131	7.765
- Other intangible assets	18	2.576	65	3.646	89
Prepaid Taxes and Funds	27	343.775	8.650	510.558	12.423
Prepaid Expenses	10	717	18	1.125	27
Deferred Tax Asset	27	2.726.370	68.601	3.869.744	94.163
Total Non-Current Assets		65.776.065	1.655.061	67.209.348	1.635.407
TOTAL ASSETS		85.586.060	2.153.521	86.523.904	2.105.389

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 2025 AND 31 DECEMBER 2024

(Currency –Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

		Reviewed Current Period	Reviewed Current Period	Audited Prior Period	Audited Prior Period
	Notes	30 June 2025	30 June 2025	31 December 2024	31 December 2024
LIABILITIES		TL	USD	TL	USD
Current Liabilities					
Current Borrowings	7	1.718.549	43.242	2.619.331	63.736
Trade Payables					
- Trade payables to related parties	4	9.727	245	113.559	2.763
- Trade payables to third parties	6	7.239.047	182.149	5.103.559	124.185
Payables Related to Employee Benefits	20	209.644	5.275	112.419	2.735
Other Payables					
- Other payables to related parties	4	--	--	1.464	36
- Other payables to third parties	8	126.477	3.182	167.461	4.075
Deferred Income	10	997.072	25.088	1.342.068	32.657
Current Tax Liabilities	27	78.204	1.968	77.196	1.878
Amounts due from Ongoing Construction Contracts	12	98.391	2.476	181.606	4.419
Current Provisions					
- Current Provisions for Employee Benefits	20	67.125	1.689	90.877	2.211
- Other Current Provisions	19	90.569	2.279	184.601	4.492
Other Current Liabilities	21	353.601	8.897	570.679	13.886
Total Current Liabilities		10.988.406	276.490	10.564.820	257.073
Non-Current Liabilities					
Non-Current Borrowings	7	28.330.839	712.862	26.664.556	648.829
Trade Payables					
- Trade payables to related parties	4	--	--	--	--
- Trade payables to third parties	6	5.314.649	133.727	5.050.032	122.883
Other Payables					
- Other payables to related parties	4	3.066.605	77.162	105.688	2.572
- Other payables to third parties	8	162.783	4.096	80.226	1.952
Deferred Income	10	431.712	10.863	342.521	8.335
Non-Current Provisions					
- Non-Current Provisions for Employee Benefits	20	218.174	5.490	217.596	5.295
- Non-Current Provisions	19	--		184.649	4.493
Other Non-Current Liabilities	21	540	14	533	13
Deferred Tax Liabilities	27	1.317.392	33.148	4.052.422	98.608
Total Non-Current Liabilities		38.842.694	977.362	36.698.223	892.980

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 2025 AND 31 DECEMBER 2024

(Currency –Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

EQUITY	Notes	Reviewed Current Period	Reviewed Current Period	Audited Prior Period	Audited Prior Period
		30 June 2025	30 June 2025	31 December 2024	31 December 2024
		TL	USD	TL	USD
Share capital	22	3.000.000	75.486	3.000.000	72.999
Capital adjustment differences	22	6.036.123	151.881	6.036.123	146.877
Other comprehensive income/expense not to be reclassified to profit					
- Actuarial gain / (loss)	22	(104.797)	(2.637)	(79.353)	(1.931)
Other comprehensive income/expense to be reclassified to profit					
- Foreign currency translation differences	22	(2.105.278)	(52.973)	(2.195.365)	(53.420)
- Change in fair value of available-for-sale financial assets	22	(167.423)	(4.213)	(160.324)	(3.901)
Restricted reserves	22	690.752	17.381	676.388	16.459
Prior years profit		31.971.210	804.461	35.847.600	872.281
Net profit for the period / (loss)		(3.565.627)	(95.271)	(3.864.208)	(101.029)
Total Equity		35.754.960	894.115	39.260.861	948.335
Translation difference		--	5.554	--	7.001
Total Liabilities and Equity		85.586.060	2.153.521	86.523.904	2.105.389

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 2025 AND 2024

(Currency –Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

	Notes	Reviewed Current Period 1 January- 30 June 2025	Reviewed Current Period 1 January- 30 June 2025	Audited Prior Period 1 January- 30 June 2024	Audited Prior Period 1 January- 30 June 2024
Revenue	23	9.392.082	250.953	8.619.849	202.080
Cost of sales (-)	23	(6.572.790)	(175.622)	(7.715.917)	(180.888)
Gross profit		2.819.292	75.331	903.932	21.192
General administrative expenses (-)		(875.080)	(23.382)	(553.672)	(12.980)
Research and development expenses (-)		(14.178)	(379)	(22.359)	(524)
Other operating income	24	310.256	8.290	27.697	649
Other operating expenses (-)	24	(101.417)	(2.710)	(65.621)	(1.538)
Operating profit		2.138.873	57.150	289.977	6.799
Shares from profit / loss from investments revalued with the equity method	15	7.087.947	189.387	6.627.412	155.370
Income from investing activities	25	247.304	6.608	230.936	5.414
Expenses from investing activities (-)	25	(670.366)	(17.912)	(17.464)	(409)
Operating profit before financial income / (expenses)		8.803.758	235.233	7.130.861	167.174
Financial Income	26	3.255.844	86.995	1.381.966	32.398
Financial Expenses (-)	26	(11.406.909)	(304.788)	(8.267.605)	(193.822)
Monetary gain / (loss)		(5.814.159)	(155.352)	(6.405.375)	(150.165)
Profit/(loss) before tax from continuing operations		(5.161.466)	(137.912)	(6.160.153)	(144.415)
Current tax income/expense	27	(2.563)	(68)	--	--
Deferred tax income/expense	27	1.598.402	42.709	800.123	18.758
Profit/(loss) for the period		(3.565.627)	(95.271)	(5.360.030)	(125.657)
EBITDA		2.289.941	61.186	3.557.757	11.197

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 OTHER COMPREHENSIVE INCOME FOR THE
PERIODS ENDED 1 JANUARY – 30 JUNE 2025 AND 2024
(Currency –Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

	Reviewed Current Period 1 January - 30 June 2025	Reviewed Prior Period 1 January - 30 June 2024
Profit/ (Loss) for the Period	(3.565.627)	(5.360.030)
Items not to be reclassified to profit or loss	(25.444)	(23.782)
Actuarial gains / loss on defined benefit plans	(30.534)	(28.890)
Actuarial gains / loss on defined benefit plans deferred tax effect	5.090	5.108
Items to be reclassified to profit or loss	82.988	1.791.518
Foreign currency translation differences	90.087	1.664.269
Change in fair value of available-for-sale financial assets	(7.099)	127.249
Other Comprehensive Income / (Expense)	57.544	1.767.736
Total Comprehensive Income	(3.508.083)	(3.592.294)
Total Comprehensive Income Distribution:	(3.508.083)	(3.592.294)
- Non-controlling interests	--	--
- Parent company	(3.508.083)	(3.592.294)

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 CHANGES IN EQUITY FOR THE PERIODS ENDED
AS OF 01 JANUARY – 30 JUNE 2025 AND 2024

(Currency – Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

	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 2024	3.000.000	6.036.123	(79.353)	(2.195.365)	(160.324)	676.388	35.847.600	(3.864.208)	39.260.861
Transfers	--	--	--	--	--	14.364	(3.878.572)	3.864.208	--
Gain / loss on remeasurements of defined benefit plans	--	--	(25.444)	--	--	--	--	--	(25.444)
Foreign currency translation differences	--	--	--	90.087	--	--	--	--	90.087
Change in fair value of available-for-sale financial assets	--	--	--	--	(7.099)	--	--	--	(7.099)
Prior period loss adjustment	--	--	--	--	--	--	2.182	--	2.182
Net loss for the period	--	--	--	--	--	--	--	(3.565.627)	(3.565.627)
Closing Balance at 30 June 2025	3.000.000	6.036.123	(104.797)	(2.105.278)	(167.423)	690.752	31.971.210	(3.565.627)	35.754.960

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 CHANGES IN EQUITY FOR THE PERIODS ENDED
AS OF 01 JANUARY – 30 JUNE 2025 AND 2024

(Currency – Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

	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	5.685.971	(25.825)	(2.475.019)	(238.286)	678.439	25.179.115	10.668.486	40.372.881
Transfers	--	--	--	--	--	(1.323)	10.668.486	(10.668.486)	(1.323)
Gain / loss on remeasurements of defined benefit plans	--	--	(23.782)	--	--	--	--	--	(23.782)
Foreign currency translation differences	--	--	--	1.664.269	--	--	--	--	1.664.269
Change in fair value of available-for-sale financial assets	--	--	--	--	127.249	--	--	--	127.249
Prior period loss adjustment	--	--	--	--	--	--	--	--	--
Net profit for the period	--	--	--	--	--	--	--	(5.360.030)	(5.360.030)
Closing Balance at 30 June 2024	900.000	5.685.971	(49.607)	(810.750)	(111.037)	677.116	35.847.601	(5.360.030)	36.779.264

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 2025 AND 2024

(Currency –Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

	Reviewed Current Period 1 January - 30 June 2025	Reviewed Prior Period 1 January - 30 June 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) for the period	(3.565.627)	(5.360.030)
<u>Adjustments to reconcile net cash generated r</u>		
Depreciation and amortization charge	34.431	93.193
Adjustments related to impairment (reversal) of receivables	(9.681)	7.349
Provision for employee termination benefits	(24.704)	5.229
Changes in provision for lawsuits	(225.850)	34.599
Adjustments related to interest (income) / expense	3.953.364	3.403.675
Period profit from investments recognized using the equity method	(717.483)	3.061.317
Foreign currency translation differences	212.024	1.572.332
Deferred tax asset / (liability), net	(1.586.566)	(908.449)
Other adjustments	2.182	(1.323)
Monetary gain/ (loss)	(577.110)	277.622
<u>Changes in net working capital</u>		
Increases/decreases in inventories	(965.033)	209.529
Increases/decreases in trade receivables	(2.557.911)	487.663
Increases/decreases in other receivables	(397.528)	150.496
Changes in receivables from costs on ongoing construction contracts	2.636.608	(405.151)
Increases / decreases in prepaid expenses	141.780	(137.675)
Increases/decreases in trade payables	2.298.256	338.598
Increases/decreases in other payables	3.001.026	(401.261)
Changes in receivables from costs on uncompleted construction contracts	(83.215)	1.609.843
Increases/decreases in deferred income	(255.805)	70.482
Increases/decreases in liabilities related to employee benefits	97.225	48.697
Increases/decreases in other short-term liabilities	(217.071)	(144.695)
Tax paid/returned	149.032	(320.880)
Other short-term provisions	--	(16.269)
Increase/decrease in other current assets	(289.267)	223.040
Severance payments	(21.925)	(20.928)
Net Cash Flows Generated from Operating Activities	1.031.152	3.877.003
B. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash flows generated from/used in short term financial liabilities	(900.782)	224.223
Cash flows generated from/used in long term financial liabilities	1.666.283	(122.210)
Interest expense paid	(3.902.538)	(3.394.625)
Change in fair value of available-for-sale financial assets	37.034	(53.212)
Net Cash Flows Generated from Financing Activities	(3.100.003)	(3.345.824)
C. CASH FLOWS FROM INVESTMENT ACTIVITIES		
Financial investments	(117.377)	(1.152)
Changes in property, plant and equipment	397.691	191.587
Changes in intangible assets	941	(795)
Changes in investment properties	43.939	1.345.661
Revaluation of held for sale financial assets	(7.099)	127.248
Net Cash Flows Used in Investment Activities	318.095	1.662.549
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS	488.895	(338.414)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1.261.861)	1.855.314
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3.420.990	1.706.600
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2.159.129	3.561.914

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 2025

(Currency – Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

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 wastewater 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 2025 6.940 personnel were employed within the Group on average (31 December 2024: 6.662) personnel.

The partnership structure as of 30 June 2025 and 2024 is as follows:

	30.06.2025	Share rate (%)	31.12.2024	Share rate (%)
Nurol Holding A.Ş.	2.999.533	99,95	2.999.533	99,95
Nurettin Çarmıklı	137	< 1	137	< 1
Mehmet Oğuz Çarmıklı	137	< 1	137	< 1
Aynur Türkan Çarmıklı	28	< 1	28	< 1
Figen Çarmıklı	137	< 1	137	< 1
Müjgan Sevgi Kayaalp	28	< 1	28	< 1
	3.000.000		3.000.000	
Inflation adjustment	6.036.123		6.036.123	
	9.036.123		9.036.123	

The Company’s capital consists of 3.000.000 shares, each with a nominal value of TL 1 (one Turkish Lira) (31 December 2024: 3.000.000 shares, each with a nominal value of TL (one Turkish Lira).

Foreign branches and jointly controlled entities included in the consolidation

	Branches and Joint Ventures (%)	
	30.06.2025	31.12.2024
<i>Foreign</i>		
Nurol L.L.C.	100	100
Nurol Georgia L.L.C.	100	100
Nurol Georgia Branch	100	100
Nurol İnşaat Algeria Branch	100	100
Nurol İnşaat Romania 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	50

NUROL İNŞAAT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

(Currency – Turkish Lira “TL” in terms of purchasing power of the “TL” at 30 June 2025 unless otherwise expressed.)

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

Foreign branches and jointly controlled entities included in the consolidation (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. (2024: 25.95%) and is listed in the accompanying consolidated financial statements under investments recognized using the equity method (Note 15).

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 2025 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 October 2026.

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 on 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 expected to be completed as of 14 November 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 August 2025.

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

Foreign branches and jointly controlled entities included in the consolidation (Continued)

Nurol L.L.C. OPC

Nurol L.L.C.OPC 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 2025 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. The project is scheduled to be completed in February 2027.

Nurol Georgia L.L.C.

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

Nurol İnşaat Georgia Branch

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

Nurol İnşaat Algeria Branch

Nurol İnşaat Algeria Branch was established in 2003 and the ongoing projects of as of the end of 30 June 2025 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 December 2026.

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 September 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 2028.

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

Foreign branches and jointly controlled entities included in the consolidation (Continued)

Nurol Romania Branch

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 March 2026.

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.

Bati Timişoara Environmental Road Design and Implementation Project:

The duration of the project is 30 months, comprising 6 months for design and 24 months for construction. The project features a 2x2 lane motorway with a total length of 13.9 km, 2 parking areas, 4 intersections, 10 bridges, and 16 km of connecting roads. The project is scheduled to be completed in December 2027.

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 - 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 December 2028.

Mesa - Nurol Joint Venture

Yeşilyaka Project

The partnership has been established for the construction of Yeşilyaka Project. Yeşilyaka, Büyükçekmece, is located on the land in size of 1.000.000 m2 in Sırtköy area is including planned villa, social facility, sale office and trade area. The project is planned to be completed in June 2026.

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.

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

Foreign branches and jointly controlled entities included in the consolidation (Continued)

Nurol - Gülsan Joint Venture (Continued)

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 16 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 October 2026.

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.

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.

Approval of the Consolidated Financial Statements

The consolidated financial statements for the period from 1 January to 30 June 2025 were approved at the Board of Directors meeting held on 14 August 2025. The Company’s General Assembly and the relevant regulatory authorities have the right to request amendments to these consolidated financial statements after their publication.

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

2.1 Basis of Presentation (Continued)

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

Pursuant to the resolution of the CMB dated 28 December 2023 and numbered 81/1820, it has been decided that inflation accounting shall be applied in accordance with the provisions of TAS 29, starting from the annual financial statements for the reporting periods ending on or after 31 December 2023, by issuers and capital market institutions subject to financial reporting regulations based on TFRS.

The Group has prepared its consolidated financial statements as of 30 June 2025 and for the period then ended in accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies”, based on the related CMB decision, the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, and the issued “Implementation Guide on Financial Reporting in Hyperinflationary Economies”.

In accordance with the standard, financial statements prepared using the currency of a hyperinflationary economy are required to be stated in terms of the measuring unit current at the balance sheet date, and comparative financial statements for prior periods are to be restated in the same measuring unit. Accordingly, the Group has presented its consolidated financial statements as of 30 June 2024 and 31 December 2024 also in terms of the purchasing power of Turkish Lira as of 30 June 2025.

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. As of 30 June 2025, the indices and adjustment coefficients used in the preparation of the consolidated financial statements are as follows:

Date	Index	Adjustment Factor	Cumulative Inflation
			Rates Over Three Years
30 June 2025	3.132,17	1,00000	%220
31 December 2024	2.684,55	1,16674	%291
30 June 2024	2.319,29	1,35049	%324

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

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

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

2.1 Basis of Presentation (Continued)

- Monetary assets and liabilities (cash and cash equivalents, trade receivables and payables, borrowings, etc.) are not restated as they are already expressed in terms of the current purchasing power as of the balance sheet date. In cases where the inflation-adjusted values of non-monetary items (inventories, tangible and intangible fixed assets, equity items, etc.) exceed their recoverable amounts or net realizable values, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets and liabilities, as well as equity items that are not expressed in terms of the current purchasing power as of the balance sheet date, have been restated using the relevant adjustment coefficients.
- Non-monetary assets and liabilities, as well as equity items not expressed at the current purchasing power as of the statement of financial position date, have been restated using the relevant adjustment coefficients.
- All items in the income statement, except for non-monetary items in the balance sheet that affect the income statement, have been indexed using the coefficients calculated based on the periods in which income and expense accounts were initially reflected in the financial statements.
- The effect of inflation on the Group’s net monetary asset position for the current period has been recorded under net monetary position gains/(losses) in the consolidated statement of profit or loss.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis. Under this principle, the Group is expected to continue its operations in the foreseeable future and will be able to utilize its assets and meet its liabilities as they fall due in the normal course of business.

2.2 Restatement and Errors in the Accounting Policies Estimates

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

2.3 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/IFRS, 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:

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

2.3 Principles of Consolidation (Continued)

(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 statements and profit or loss statements of subsidiaries operating in the construction sector have been consolidated using the full consolidation method, and the carrying amounts of the Company’s interests in these subsidiaries have been offset against their corresponding equity. Intra-group transactions and balances between the Company and its construction sector subsidiaries have been eliminated during consolidation. The carrying amounts of the shares held by the Company and the related dividends have been offset against the relevant 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.

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.

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

2.3 Principles of Consolidation (Continued)

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. The Company has consistently applied the same accounting policies in its financial statements for the periods presented, and there have been no significant changes in accounting policies or estimates during the current period. Accounting policy changes arising from the first-time adoption of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes for which no transitional provisions exist, voluntary changes in accounting policies, or identified accounting errors are applied retrospectively, and the prior period financial statements are restated. Changes in accounting estimates are applied in the current period if they affect only that period, or both in the current period and prospectively if they affect future periods.

2.5 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of June 30, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 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, 2025 are as follows:

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. When applying the amendments, an entity cannot restate comparative information.

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

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

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting 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 wait until the final amendment to assess the impacts of the changes.

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

2.5 The new standards, amendments and interpretations (Continued)

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

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, 2026 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 is in the process of assessing the impact of the standard on financial position or performance.

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

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals.

. TFRS 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 TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

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

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

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. 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.

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

2.5 The new standards, amendments and interpretations (Continued)

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

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 amendments are not applicable for the Group and will not have an impact on the financial position or performance.

Annual Improvements to IFRS Accounting Standards – Volume 11

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

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to ‘transaction price’.
- IFRS 10 Consolidated Financial Statements – Determination of a ‘De Facto Agent’: The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of “cost method” following the prior deletion of the definition of ‘cost method’.

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

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

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

The amendments are not applicable for the Group and will not have an impact on the financial position or performance.

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

2.5 The new standards, amendments and interpretations (Continued)

iii) 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 for the Group.

2.6. Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 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:

The related individual,

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

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

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

Transaction with related party is a transfer of resources, services or liabilities between the reporting entity and the related party, disregarding 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.

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

2.6. Summary of Significant Accounting Policies (Continued)

Revenue

The Group recognizes revenue in its consolidated financial statements when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when (or as) the customer obtains control of that good or service. The amount recognized as revenue corresponds to the transaction price allocated to the satisfied performance obligation.

The Group evaluates the transfer of control to the customer in assessing when a promised good or service is transferred,

- 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.

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.

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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)

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.

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.

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

2.6. Summary of Significant Accounting Policies (Continued)

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.

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

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

2.6. Summary of Significant Accounting Policies (Continued)

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.

Investment properties

Y 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.

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

2.6. Summary of Significant Accounting Policies (Continued)

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.

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.

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

2.6. Summary of Significant Accounting Policies (Continued)

Finance leases (Continued)

The Group - as the lease (continued)

The 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.

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.

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

2.6. Summary of Significant Accounting Policies (Continued)

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.

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.

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

2.6. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial assets (continued)

Classification of financial assets (continued)

(i) Amortized cost and effective interest method (continued)

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.

Financial assets at fair value through profit or loss are measured at their fair value at the end of each reporting period, and all changes in fair value are recognized in profit or loss, unless the related financial assets are part of a hedging relationship.

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

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

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

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

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

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

2.6. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets 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.

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.

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

2.6. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial assets (continued)

Derecognition of financial assets (continued)

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

Financial liabilities

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

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

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

The entity does not reclassify any financial liabilities.

Derecognition of financial liabilities

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

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.

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

2.6. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Derivative financial instruments (continued)

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 319.131 thousand has been recognized as of 30 June 2024, based on the inflation-adjusted value. (Note 16). 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 31 December 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.

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.

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

2.6. Summary of Significant Accounting Policies (Continued)

Foreign Currency Transactions (Continued)

	30 June 2025	31 December 2024
USD	39,7424	35,2233
EUR	46,5526	36,7429
GBP	54,5078	44,2458
DZD (Algerian Dinar)	0,3074	0,2601
GEL (Georgian Lari)	14,6082	12,5687
AED (United Arab Emirates Dirham)	10,7609	9,5361
RON (Romania Leusu)	9,1185	7,3414

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”).

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 2025 and 31 December 2024 and are as follows:

	30 June 2025	31 December 2024
Interest rate	27,15%	27,15%
Inflation rate	21,53%-24,53%	23,03%

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.

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.

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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

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.

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.

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

2.6. Summary of Significant Accounting Policies (Continued)

Taxes calculated on corporate income and deferred tax (Continued)

Current and deferred income tax

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

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.

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.

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

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.

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3. Geographical Segment Reporting

Information of total assets and total liabilities of the Group per geographical segments as of 30 June 2025 and 31 December 2024 are as follows:

30.06.2025	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Total assets	71.249.963	3.961.113	5.327.355	2.231.295	7.178.412	(4.362.078)	85.586.060
Total liabilities	71.249.963	3.961.113	5.327.355	2.231.295	7.178.412	(4.362.078)	85.586.060
30.06.2024	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Total assets	74.552.542	5.915.824	5.897.810	2.008.020	1.682.776	(5.594.735)	84.462.237
Total liabilities	74.552.542	5.915.824	5.897.810	2.008.020	1.682.776	(5.594.735)	84.462.237

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3. Geographical Segment Reporting (Continued)

Income statement information of the Group per geographical segment as of 30 June 2025 is as follows:

1 January - 30 June 2025	Turkey	United Arab Emirates	Georgia	Algeria	Romania	Eliminations	Total
Revenue	4.469.485	2.358.301	179.059	408.006	2.033.386	(56.155)	9.392.082
Cost of sales (-)	(1.888.354)	(2.424.141)	(107.923)	(494.331)	(1.684.260)	26.219	(6.572.790)
Gross profit/ (loss)	2.581.131	(65.840)	71.136	(86.325)	349.126	(29.936)	2.819.292
Operating expenses (-)	(412.822)	(129.331)	(59.045)	(4.803)	(313.193)	29.936	(889.258)
Other operating income/(expenses), net	229.863	(19.002)	(2.022)	--	--	--	208.839
Operating profit / (loss)	2.398.172	(214.173)	10.069	(91.128)	35.933	--	2.138.873
Shares from profit of investments revalued with the equity method	7.087.947						7.087.947
Investment income/(expenses)	(422.380)	(682)	--	--	--		(423.062)
Financial income/(expenses) net	(15.621.408)	624.632	142.922	281.156	607.474		(13.965.224)
Profit/(loss) before tax from continued operations	(6.557.669)	409.777	152.991	190.028	643.407	--	(5.161.466)
Tax expense for the year	--	--	--	--	(2.563)	--	(2.563)
Deferred tax income/(expenses), net	1.589.685	--	8.717	--	--	--	1.598.402
Net profit/(loss) for the period	(4.967.984)	409.777	161.708	190.028	640.844	--	(3.565.627)

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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	7.701.512	440.973	134.252	170.808	175.787	(3.483)	8.619.849
Cost of sales (-)	(6.507.502)	(510.781)	(92.416)	(308.663)	(296.598)	43	(7.715.917)
Gross profit/ (loss)	1.194.010	(69.808)	41.836	(137.855)	(120.811)	(3.440)	903.932
Operating expenses (-)	(339.515)	(98.715)	(27.133)	(10.946)	(103.162)	3.440	(576.031)
Other operating income/(expenses), net	(42.166)	5.205	(963)	--	--	--	(37.924)
Operating profit / (loss)	812.329	(163.318)	13.740	(148.801)	(223.973)	--	289.977
Shares from profit of investments revalued with the equity method	6.627.412	--	--	--	--	--	6.627.412
Investment income/(expenses)	230.381	(16.909)	--	--	--	--	213.472
Financial income/(expenses) net	(13.340.439)	69.639	(16.441)	--	(3.773)	--	(13.291.014)
Sürdürülen faaliyetler vergi öncesi karı / (zararı)	(5.670.317)	(110.588)	(2.701)	(148.801)	(227.746)	--	(6.160.153)
Tax expense for the year	--	--	--	--	--	--	--
Deferred tax income/(expenses), net	1.192.517	--	(392.395)	--	--	--	800.122
Net profit/(loss) for the period	(4.477.800)	(110.588)	(395.096)	(148.801)	(227.746)	--	(5.360.031)

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4. Related Parties Disclosures

<i>a) Current trade receivables from related parties</i>	30.06.2025	31.12.2024
Çarmıklı Family	6.886	--
Otoyol Yatırım ve İşletme A.Ş.	3.686	--
Nurol Holding A.Ş.	1.254	--
SGO İnşaat Sanayi ve Ticaret A.Ş.	1.124	--
Other	501	404
	13.451	404
<i>b) Non-Current trade receivables from related parties</i>	30.06.2025	31.12.2024
Otoyol Yatırım ve İşletme A.Ş.	--	20.532
	--	20.532
<i>c) Trade payables to related parties</i>	30.06.2025	31.12.2024
Enova Elektrik Enerjisi Toptan Satış A.Ş.	2.824	1.619
Nurol Sigorta Aracılık Hizmetleri A.Ş.	2.488	8.894
Nurol Grup Elektrik Toptan Sat.A.Ş	2.134	2.016
Nurol Eğitim Kültür ve Spor Vakfı	970	--
Botim İşletme Yönetim ve Ticaret A.Ş.	555	1.153
Nurol Gayrimenkul Yatırım Ortaklığı	425	--
Bosfor Turizm İşletmecilik A.Ş.	323	541
Turser Turizm Servis Yayıncılık Ticaret A.Ş.	8	420
Nurol Holding A.Ş.	--	98.545
Nurol Kontrol ve Aviyonik Sistemleri A.Ş.	--	371
	9.727	113.559
<i>d) Other current receivables to related parties</i>	30.06.2025	31.12.2024
NITCO Construction B.V.	33.620	2.065
Otoyol Yatırım İşletme A.Ş.	28.209	--
Çarmıklı Ailesi	24.260	23.145
Botim İşletme Yönetim ve Ticaret A.Ş.	15.254	4.089
Nurol Construction Germany Gmbh	11.935	5.878
SGO İnşaat Sanayi ve Ticaret A.Ş.	2.022	8.320
Nurol Construction S.A.	--	39.885
Other	57	563
	115.357	83.945
<i>e) Other non-current receivables from related parties</i>	30.06.2025	31.12.2024
Otoyol Yatırım İşletme A.Ş.	--	234.649
	--	234.649

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4. Related Parties Disclosures (Continued)

<i>f) Other current payables to related parties</i>	30.06.2025	31.12.2024
Otoyol Yatırım ve İşletme A.Ş.	--	1.464
	--	1.464
<i>g) Other non-current payables to related parties</i>	30.06.2025	31.12.2024
Nurol Holding A.Ş. (*)	3.066.605	105.688
	3.066.605	105.688

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

5. Cash and Cash Equivalents

	30.06.2025	31.12.2024
Cash on hand	16.765	14.008
Banks		
- demand deposits	1.157.219	1.045.752
- time deposits (with maturities of less than three months)	985.145	2.361.230
	2.159.129	3.420.990

As of 30 June 2025 and 31 December 2024, details of cash and cash equivalents are as follows:

	30.06.2025	31.12.2024
Cash on hand	16.765	14.008
- Demand deposits		
- TL	677.444	217.836
- AED	277.124	487.912
- USD	69.495	131.738
- RON	58.113	23.797
- GEL	36.246	26.406
- DZD	25.996	22.659
- EUR	12.783	135.312
- PLN	18	18
- RUB	--	74
- Time deposits		
- USD	905.030	--
- TL	43.821	2.361.161
- RON	36.294	69
	2.159.129	3.420.990

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6. Trade Receivables and Payables

	30.06.2025	31.12.2024
<i>Current trade receivables</i>		
- Nurol Romania Branch	4.587.268	1.515.257
- Nurol Algeria Branch	1.650.407	1.916.393
- Nurol LLC OPC	981.632	866.955
- Nurol İnşaat ve Ticaret A.Ş.	684.305	739.395
- Nurol Georgia Branch	27.955	14.585
- Nurol Gülermak Makyo Joint Venture	24.840	364.635
- Nurol Yüksel YDA Özka	10.065	5.882
- Nurol Mesa Joint Venture	3.329	2.431
- Alkatas Nurol Joint Venture	218	10.182
Receivables from related parties (Note 4)	13.451	404
Notes receivables	10.529	16.296
Doubtful trade receivables	31.613	47.563
Provision for doubtful trade receivables (-)	(31.613)	(47.563)
	7.993.999	5.452.415

	30.06.2025	31.12.2024
<i>Non-current trade receivables</i>		
Trade receivables from related parties (Note 4)	--	20.532
	--	20.532

Movement of doubtful receivables is as follows:

	01.01. - 30.06.2025	01.01. - 30.06.2024
Opening balance, 01 January	47.563	51.622
Provisions during the period (Note 24)	2.396	6.284
Foreign currency translation differences (Note 24)	1.619	964
Collections/provisions no longer required (-) (Note 24)	(13.168)	(274)
Monetary loss / gain	(6.797)	(10.237)
Closing balance, 31 December	31.613	48.359

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6. Trade Receivables and Payables (Continued)

	30.06.2025	31.12.2024
<i>Current trade payables</i>		
- Nurol Romania Branch	4.675.955	2.060.679
- Nurol LLC OPC	1.420.317	1.522.293
- Nurol Algeria Branch	449.997	526.999
- Nurol Gülermak Makyol Joint Venture	395.671	398.452
- Nurol İnşaat ve Ticaret A.Ş.	187.709	381.188
- Nurol Georgia Branch	33.298	159.972
- Alkatas Nurol Joint Venture	57.035	39.921
- Özgün Nurol Joint Venture	14.116	6.464
- Nurol Mesa Joint Venture	4.462	4.961
- Gülsan Nurol Joint Venture	--	2.367
- Nurol YDA Özka Joint Venture	487	263
Trade payables to related parties (Note 4)	9.727	113.559
	7.248.774	5.217.118

	30.06.2025	31.12.2024
<i>Non-current trade payables</i>		
Trade payables (*)	5.314.649	5.050.032
	5.314.649	5.050.032

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

7. Financial Borrowings

	30.06.2025	31.12.2024
<i>Current financial liabilities</i>		
Current bank borrowings	1.048.940	1.430.653
Financial lease payables	48.532	6.155
Interest accruals	621.077	365.805
Current financial liabilities	1.718.549	1.802.613
Short-term portion of long-term bond issuances and interest accruals	--	816.718
Total current financial liabilities	1.718.549	2.619.331

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7. Financial Borrowings (Continued)

	30.06.2025	31.12.2024
<i>Non-current financial liabilities</i>		
Non-current bank borrowings	24.747.712	23.746.717
Financial lease payables	183.127	991
Total non-current financial liabilities	24.930.839	23.747.708
Long-term bond issues (*)	3.400.000	2.916.848
Total non-current financial liabilities	28.330.839	26.664.556
Total financial liabilities	30.049.388	29.283.887

Long-Term Bonds Issued:

- (*) The Company’s quarterly interest quoted on the Istanbul Stock Exchange amounting to TL 1.400.000 thousand on 30 December 2021 with a maturity of 15 January 2027, TL 1.100.000 thousand on 2 December 2024 with a maturity of 29 November 2027, and TL 900.000 thousand on 21 January 2025 with a maturity of 18 January 2025 with a coupon interest rate of TLREF plus 400 basis points bond issuance.

The repayment schedule of the financial liabilities is as follows:

	30.06.2025	31.12.2024
Within 1 year	1.718.549	2.619.331
1 - 2 years	20.253.997	21.977.819
2 - 3 years	4.439.617	4.008.360
3 - 4 years	2.052.499	616.213
4 - 5 years	1.584.726	62.164
	30.049.388	29.283.887

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”	
		30.06.2025	31.12.2024	30.06.2025	31.12.2024
<i>Current borrowings</i>					
- TL	52,17	129.452	489.011	129.452	489.011
- USD	8,57	23.136	26.733	919.488	941.642
<i>Current finance lease payables:</i>					
- TL financial lease payables		46.432	4.322	46.432	4.322
- EUR financial lease payables		45	50	2.100	1.833
Short-term bond issues				--	816.718
Interest accruals				621.077	365.805
				1.718.549	2.619.331

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7. Financial Borrowings (Continued)

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

		Foreign Currency		Amount “TL”	
	Average Interest rate %	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Non-current borrowings					
- TL	52,17	1.718.847	981.314	1.718.847	981.314
- USD	8,57	71.571	119.004	2.844.420	4.191.710
- EUR	10,04	111.984	116.674	5.213.169	4.286.939
<u>Subsidiaries</u>					
<i>Nurol Georgia LLC loans</i>					
- GEL		69.456	16.327	1.014.628	205.208
<i>Nurol LLC OPC loans</i>					
- EUR		9.335	17.825	434.554	654.963
Non-current finance lease payables:					
- TL financial lease payables		183.127	--	183.127	--
- EUR financial lease payables		--	27	--	991
Long-term bond issues				3.400.000	2.916.848
Reclassified financial liabilities (*)					
- TL		5.323.590	3.639.280	5.323.590	3.639.280
- USD		58.012	235.697	2.305.546	8.301.999
- EUR		126.587	32.844	5.892.958	1.206.774
<i>Nurol LLC OPC loans</i>					
- EUR		--	7.580	--	278.530
				28.330.839	26.664.556

- (*) 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

	30.06.2025	31.12.2024
Other current receivables		
Due from related parties and shareholders (Note 4)	115.357	83.945
Advances given to personnel	2.353	4.474
Deposits and guarantees given		
- Nurol LLC OPC	1.736.837	1.107.850
- Nurol Romania Branch	10.780	26.808
- Nurol Gülermak Makyol Joint Venture	151	147
Other receivables		
- Nurol Romania Branch	5.736	7.452
- Nurol Algeria Branch	7.160	6.674
- Nurol İnşaat	783	1.513
Doubtful other receivables	2.870	2.076
Provision for doubtful other receivables (-)	(2.870)	(2.076)
		1.879.157
		1.238.863

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8. Other Receivables and Payables (Continued)

Movement of other doubtful receivables is as follows:

	01.01. - 30.06.2025	01.01. - 31.12.2024
<i>Opening balance, 01 January</i>	2.076	2.671
Provisions during the period (Note 24)	1.091	375
Monetary loss / gain	(297)	(5.564)
Closing balance, 31 December	2.870	(2.518)
	30.06.2025	31.12.2024
<i>Other non-current receivables</i>		
Due from related parties (Note 4)	--	234.649
Deposits and guarantees given	18.671	27.582
	18.671	262.231
	30.06.2025	31.12.2024
<i>Other current payables</i>		
Deposits and guarantees received	125.462	165.658
Due to related parties (Note 4)	--	1.464
Other	1.015	1.803
	126.477	168.925
	30.06.2025	31.12.2024
<i>Other non-current payables</i>		
Due to related parties (Note 4)	3.066.605	105.688
Deposits and guarantees received	162.783	80.226
	3.229.388	185.914

9. Inventories

	30.06.2025	31.12.2024
Construction materials	57.747	77.929
<i>Investment properties under construction</i>		
- Nurol İnşaat ve Ticaret A.Ş. (Yeşilyaka villas) (*)	16.361	5.757
- Romania Branch	1.526.721	565.297
- Algeria Branch	181.472	174.618
- Nurol Gülermak Makyol Joint Venture	20	48
<i>Finished goods (predominantly completed residence construction projects)</i>		
- Nurol İnşaat ve Ticaret A.Ş. (Yeşilyaka villas) (*)	814.103	826.734
Merchandise		
- Nurol Gürcistan LLC (**)	32.174	17.711
- Romania Branch	675	635
Other inventories	8.371	3.882
	2.637.644	1.672.611

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9. Inventories (Continued)

- (*) Mesa Nurol Yeşilyaka project 1st Stage (Protection), 2. Stage (Water), Stage 3 (production has not started) consists of villa projects. It includes 679 villas, social facilities and general areas with a total construction area of 245.426 m2.
- (**) Nurol Georgia Residence project consists of 54 residences and 3 shops on 6.423 m2 construction area. Sales of 25 residences and 1 shop were realized. The remaining apartments and shops are followed under the finished goods account.

10. Prepaid Expenses and Deferred Income

	30.06.2025	31.12.2024
<i>Prepaid expenses in current assets</i>		
Order advances given for inventories	115.067	247.128
Prepaid expenses (*)	84.615	93.926
	199.682	341.054

- (*) Prepaid expenses of TL 36.130 thousand consist of all risk insurances made within the scope of Nurol LLC’s projects started in 2018 and still ongoing in Abu Dhabi TL 31.175 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.

	30.06.2025	31.12.2024
<i>Prepaid expenses in non-current assets</i>		
Prepaid expenses	717	1.125
	717	1.125

	30.06.2025	31.12.2024
<i>Prepaid expenses in current assets</i>		
<i>Advances received</i>		
-Nurol LLC OPC	904.492	1.197.898
-Nurol Mesa Joint Venture	90.288	143.953
-Nurol - Gülermak - Makyol Joint Venture	54	59
Prepaid expenses	2.238	158
	997.072	1.342.068

	30.06.2025	31.12.2024
<i>Prepaid expenses in non-current assets</i>		
<i>Advances received</i>		
- Mesa Nurol Yeşilyaka Villas (Nurol İnşaat)	431.712	342.521
	431.712	342.521

11. Available for Sale Financial Assets

	30.06.2025	31.12.2024
Stocks	176.884	213.918
	176.884	213.918

- (*) As of 30 June 2025, TL 176.884 thousand of the Group’s shares is comprised of the shares of Nurol GYO in Nurol LLC. (31 December 2024: TL 213.918 thousand).

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12. Receivables and Payables from Ongoing Construction and Project Contracts

		30.06.2025		31.12.2024	
		Receivables from Constructio n Contracts	Payables Related to Constructio n Contracts	Receivables from Constructio n Contracts	Payables Related to Constructi on Contracts
	%				
Nurol LLC OPC projects		260.277	--	330.941	--
Silifke Mut Road Project (Nurol İnşaat)	51	200.752	--	1.238.497	--
Ümraniye-Ataşehir-Göztepe Metro Construction Project (Nurol Gülermak Makyol Joint Venture)	80	1.826.503	--	1.199.511	--
Dry Pet Food Factory project (Nurol İnşaat)	68	--	98.391	1.984.023	--
Ordu Highway Landslide Reclamation Works (Nurol YDA Özka Joint Venture)	23	25.423	--	108.234	181.606
Republic Asia Region Treatment Plant Construction (Alkataş Nurol Joint Venture)	20	229.377	--	317.734	--
		2.542.332	98.391	5.178.940	181.606

13. Financial Investments

a) Current financial investments

	30.06.2025	31.12.2024
Investment funds	117.377	--
	117.377	--

b) Non-current financial investments

	Shareholders Rate (%)		Amount	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Nurol Gayrimenkul Yat. Ort. A.Ş.	3,10	3,10	530.213	530.213
Nurol Göksu Elektrik Üretim A.Ş.	5	5	144.512	144.512
Nurol Sigorta Aracılık Hizmetleri A.Ş.	39,7	39,7	83.289	83.289
Nurol Enerji Üretim Paz. A.Ş.	0,05	0,05	78.786	78.786
Otoyol Deniz Taşımacılığı A.Ş.	25,17	25,17	19.538	19.538
Otoyol İşletme ve Bakım A.Ş.	25,95	25,95	14.765	14.765
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.	100	100	340	340
Nurol Construction S.A.	0,13	0,13	347	347
Nurol Construction Germany Gmbh	100	100	1.152	1.152
Other	--	--	239	239
			873.181	873.181

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14. Property, Plant and Equipment

As of 30 June 2025, details of property, plant and equipment were as follows:

	31.12.2024	Additions	Disposals	Foreign currency translation differences	Transfer	30.06.2025
<i>Cost</i>						
Land	84.181	--	--	1.742	--	85.923
Land improvements	12.763	1.019	--	--	--	13.782
Buildings	1.179.158	3.177	(168.628)	69.169	--	1.082.876
Machinery and equipment	8.932.424	308.847	(253.569)	158.069	--	9.145.771
Motor vehicles	1.047.095	15.588	(165.108)	25.113	--	922.688
Fixtures and fittings	1.052.336	2.992	(2.237)	30.312	--	1.083.403
Other property, plant and equipment	--	--	--	--	--	--
	12.307.957	331.623	(589.542)	284.405	--	12.334.443
<i>Accumulated depreciation (-)</i>						
Land improvements	3.462	76	--	--	--	3.538
Buildings	657.760	2.859	(56)	35.662	292	696.517
Machinery and equipment	8.346.070	22.195	(173.684)	365.876	(93)	8.560.364
Motor vehicles	620.228	3.754	(31.154)	21.978	193	614.999
Fixtures and fittings	1.027.865	4.648	(1.368)	33.710	--	1.064.855
Other property, plant and equipment	--	--	--	--	--	--
	10.655.385	33.532	(206.262)	457.226	392	10.940.273
Net Book Value	1.652.572					1.394.170

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14. Property, Plant and Equipment (Continued)

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	43.906	--	--	(6.226)	--	37.680
Land improvements	15.537	77	--	1.138	--	16.752
Buildings	657.239	350	(2.995)	(57.650)	--	596.944
Machinery and equipment	3.073.385	18.865	(156.910)	(176.970)	--	2.758.370
Motor vehicles	729.818	10.699	(3.244)	(30.562)	--	706.711
Fixtures and fittings	612.629	6.358	(14.712)	(47.917)	--	556.358
Other property, plant and equipment	2.046.499	1.739	(47.264)	(222.280)	--	1.778.694
	7.179.013	38.088	(225.125)	(540.467)	--	6.451.509
<i>Accumulated depreciation (-)</i>						
Land improvements	1.580	172	--	--	--	1.752
Buildings	383.321	3.575	--	(27.355)	(17.651)	341.890
Machinery and equipment	2.231.922	73.269	(135.982)	(110.270)	--	2.058.939
Motor vehicles	323.456	8.762	(2.138)	(25.254)	--	304.826
Fixtures and fittings	464.908	4.150	(14.038)	(28.703)	--	426.317
Other property, plant and equipment	1.968.930	2.208	(46.118)	(238.646)	--	1.686.374
	5.374.117	92.136	(198.276)	(430.228)	(17.651)	4.820.098
Net Book Value	1.804.896					1.631.411

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14. Property, Plant and Equipment (Continued)

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

	01.01. - 30.06.2025	01.01. - 30.06.2024
Depreciation of property, plant and equipment	33.532	92.136
Amortization of intangible assets (Note 18)	899	1.057
	34.431	93.193
	01.01. - 30.06.2025	01.01. - 30.06.2024
Cost of sales	23.285	49.601
General administrative expenses	11.146	43.592
	34.431	93.193

15. Investments Recognized Using the Equity Method

In the accompanying consolidated financial statements as of 30 June 2025 and 2024, the Group has recognized Otoyol Yatırım ve İşletme A.Ş. with the equity method.

As of 30 June 2025, recorded value of Otoyol Yatırım İşletme A.Ş., which has been valued using the equity method and 25.95% (30 June 2024: 25.95%) of the shares are owned by the Group, USD 4.391.875 thousand (31 December 2024: USD 4.179.898 thousand) as of 30 June 2025, total equity is TL 45.294.082 thousand (31 December 2024: TL 44.576.599 thousand).

As of 30 June 2025 and 2024, profit share of investments of the Group recognized using the equity method is TL 7.087.947 thousand and TL 6.627.412 thousand, respectively.

16. Goodwill

As of 30 June 2025 and 2024, 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 319.131 thousand.

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17. Investment Properties

As of 30 June 2025 details of investment properties are as follows:

	31.12.2024	Additions	Disposals	Foreign currency translation differences	Revaluation	30.06.2025
Cost						
Land	3.920.589	--	--	--	--	3.920.589
Buildings	5.572.469	--	--	--	(589.335)	4.983.134
Georgia Batumi Sheraton Hotel	5.626.971	--	--	272.698	--	5.899.669
Net Book Value	15.120.029	--	--	272.698	(589.335)	14.803.392

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
Cost						
Land	2.561.607	--	(96.860)	--	--	2.464.747
Buildings	7.281.483	--	(15.446)	--	(17.651)	7.248.386
Georgia Batumi Sheraton Hotel	6.596.476	56.494	(8.773)	(1.263.425)	--	5.380.772
Net Book Value	16.439.566	56.494	(121.079)	(1.263.425)	(17.651)	15.093.905

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18. Intangible Assets

As of 30 June 2025 and 31 December 2024, details of intangible assets are as follows:

	31.12.2024	Additions	Foreign currency translation differences	Transfer	30.06.2025
Cost					
Rights	26.611	207	259	--	27.077
Other Intangible Assets	261	--	--	--	261
	26.872	207	259	--	27.338
Accumulated amortization (-)					
Rights	22.965	899	1.029	(392)	24.501
Other Intangible Assets	261	--	--	--	261
	23.226	899	1.029	(392)	24.762
Net Book Value	3.646				2.576

	31.12.2023	Additions	Foreign currency translation differences	Disposals	Transfer	30.06.2024
Cost						
Rights	23.345	1.984	127	--	--	25.456
Other Intangible Assets	375	--	--	--	--	375
	23.720	1.984	127	--	--	25.831
Accumulated amortization (-)						
Rights	19.627	1.057	722	--	--	21.406
Other Intangible Assets	989	--	--	--	--	989
	20.616	1.057	722	--	--	22.395
Net Book Value	3.104					3.436

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19. Provisions, Contingent Assets and Liabilities

	30.06.2025	31.12.2024
<i>Current provisions</i>		
Provision for litigations	90.569	184.529
Other	--	72
	90.569	184.601

	30.06.2025	31.12.2024
<i>Non-current provisions</i>		
Provision for litigations	--	184.649
	--	184.649

As of 30 June 2025 and 2024, the movement table of provision for lawsuits is as follows:

	01.01. - 30.06.2025	01.01. - 30.06.2024
<i>Opening balance</i>	369.178	32.043
Additional provision made during the period (Note 24)	32.803	34.599
Provision no longer required (-) (Note 24)	(258.653)	--
Monetary gain / loss	(52.759)	(7.043)
Closing balance	90.569	59.599

As of 30 June 2025, the Group has made a provision of TL 90.569 thousand (31 December 2024: TL 369.178 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	30.06.2025		31.12.2024	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
<i>Letters of guarantee received</i>				
-TL	401.257	401.257	439.894	439.894
-USD	1.443	57.348	1.411	49.712
-EUR	2.068	96.271	1.861	68.378
<i>Cheques and notes received</i>				
-TL	1.360	1.360	3.862	3.862
-USD	133	5.286	133	4.685
Total		561.522		566.531

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19. Provisions, Contingent Assets and Liabilities (Continued)

Collaterals, pledges and mortgages CPM given by the Group As of 30 June 2025 and 31 December 2024 are as follows:

	30.06.2025	31.12.2024
A CPM's given in the name of own legal personality	34.298.219	17.686.411
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	--	--
	34.298.219	17.686.411

As of 30 June 2025 and 31 December 2024, details of the CPM's given in the name of own legal personality are as follows:

	Foreign Currency Amount					30.06.2025
	TL	USD	EUR	DZD	RON	TL Equivalent
Letters of guarantee	1.330.806	94.898	72.185	2.302.900	424.183	13.038.573
Suretyship	35.681	2.624	4.105	--	--	331.063
Mortgage	6.101.993	65.000	263.000	--	--	20.928.583
	7.468.480	162.522	339.290	2.302.900	424.183	34.298.219

	Foreign Currency Amount					31.12.2024
	TL	USD	EUR	DZD	RON	TL Equivalent
Letters of guarantee	1.403.764	41.185	104.370	2.653.007	450.489	10.686.561
Suretyship	28.265	2.624	5.500	--	--	322.777
Mortgage	1.457.907	113.750	33.000	--	--	6.677.073
	2.889.937	157.559	142.870	2.653.007	450.489	17.686.411

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20. Employee Benefits

a) Current liabilities for employee benefits

	30.06.2025	31.12.2024
Due to personnel	187.998	88.142
Social security premiums payable	21.646	24.277
	209.644	112.419

b) Provision for employee benefits

b.1) Current

	30.06.2025	31.12.2024
Unused vacation provision	67.125	90.877
	67.125	90.877

b.2) Non-current

	30.06.2025	31.12.2024
Provision for employee termination benefits	218.174	217.596
	218.174	217.596

Provision for employee termination benefits

According to Turkish Labor Law, the Group is required to pay severance pay to each employee who has completed at least one year of service and retires after 25 years of employment, has their employment relationship terminated, is called for military service, or passes away.

As of 30 June 2025, the severance pay liability is subject to a ceiling of TL 46.655,43 per month of service (31 December 2024: TL 41.828,42). The applicable ceiling has been increased to TL 53.919,68 per month as of 1 July 2025.

The severance pay obligation is not subject to any legal 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 June 2025	31 December 2024
Interest rate	27,15%	27,15%
Inflation rate	%21,53-%24,53	%23,03

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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. - 30.06.2025	01.01. - 30.06.2024
Opening balance, 1 January	217.596	280.037
Current year provision	9.136	3.444
Actuarial loss / gain	30.534	28.890
Interest cost (Note 24)	2.899	1.785
Termination benefits paid	(21.925)	(20.928)
Currency translation differences	21.211	18.895
Monetary gain / loss	(41.277)	(111.754)
Closing balance 31 December	218.174	200.369

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 2025, the total amount of short-term salaries, bonuses and other similar benefits provided to the Group’s top executives is TL 44.381 thousand (31 December 2024: TL 91.814 thousand).

21. Other Assets and Liabilities

	30.06.2025	31.12.2024
<i>Other current assets</i>		
VAT carried forward	423.285	347.418
VAT receivables	648.688	258.303
<i>Advances given for business purposes</i>		
- Nurol İnşaat ve Ticaret A.Ş.	18.294	3.962
- Gülsan Nurol Joint Venture	270	27
<i>Advances given to subcontractors</i>		
- Nurol LLC OPC	306.770	349.210
- Nurol Romania Branch	216.649	124.373
- Nurol Gülermak Makyol Joint Venture	99.700	249.108
- Nurol İnşaat ve Ticaret A.Ş.	75.366	193.279
- Alkatas Nurol Joint Venture	27.433	1.316
- Nurol Algeria Branch	19.366	19.193
- Nurol YDA Özka Joint Venture	4	5
Other	--	364
	1.835.825	1.546.558

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21. Other Assets and Liabilities (Continued)

	30.06.2025	31.12.2024
<i>Other current liabilities</i>		
Taxes and funds payable		
- Nurol Algeria Branch	306.799	457.333
- Nurol İnşaat ve Ticaret A.Ş.	27.656	72.137
- Nurol Georgia	7.904	9.889
- Alkatas Nurol Joint Venture	4.201	2.441
- Nurol Romania Branch	2.872	1.153
- Nurol – Gülermak – Makyol Joint Venture	1.769	23.010
- Nurol Mesa Joint Venture	1.674	1.769
- Nurol YDA Özka Joint Venture	566	160
- Gülsan Nurol Joint Venture	111	119
- Nurol LLC OPC	--	2.612
Other	49	56
	353.601	570.679
	30.06.2025	31.12.2024
<i>Other non-current liabilities</i>		
- Nurol Algeria Branch	540	533
	540	533

22. Equity

a) Share Capital

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

	30.06.2025	Share rate (%)	31.12.2024	Share rate (%)
Nurol Holding A.Ş.	2.999.533	99,95	2.999.533	99,95
Nurettin Çarmıklı	137	< 1	137	< 1
Mehmet Oğuz Çarmıklı	137	< 1	137	< 1
Aynur Türkan Çarmıklı	28	< 1	28	< 1
Figen Çarmıklı	137	< 1	137	< 1
Müjgan Sevgi Kayaalp	28	< 1	28	< 1
	3.000.000		3.000.000	
Inflation adjustment	6.036.123		6.036.123	
	9.036.123		9.036.123	

The Company's capital consists of 3.000.000 thousand shares, each with a nominal value of TL 1 (one Turkish Lira) (31 December 2024: 3.000.000 thousand shares, each with a nominal value of TL 1 (one Turkish Lira)).

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22. Equity (Continued)

b) Other Equity Items

Other comprehensive income not to be reclassified to profit or loss

	30.06.2025	31.12.2024
Defined benefit plans remeasurement gains/ losses	(104.797)	(79.353)
	(104.797)	(79.353)

Other equity items

	30.06.2025	31.12.2024
Defined benefit plans remeasurement gains/ losses	(104.797)	(79.353)
Revaluation surplus / deficit of property, plant and equipment	--	--
Restricted reserves	690.752	676.388
Retained earnings	31.971.210	35.847.600
Foreign currency translation differences	(2.105.278)	(2.195.365)
Revaluation of financial assets available for sale	(167.423)	(160.324)
	30.284.464	34.088.946

Restricted reserves

	30.06.2025	31.12.2024
Legal reserves	690.752	676.388
	690.752	676.388

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.

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23. Revenue and Cost of Sales

	01.01. - 30.06.2025	01.01. - 30.06.2024
Domestic sales	4.891.467	5.675.491
Foreign sales	4.501.667	2.944.541
Sales return (-)	(1.052)	(183)
Revenue	9.392.082	8.619.849
Cost of sales (-)	(6.572.790)	(7.715.917)
Gross profit	2.819.292	903.932

The detail of revenue is summarized as follows:

	01.01. - 30.06.2025	01.01. - 30.06.2024
<i>Domestic sales</i>		
- Nurol İnşaat ve Ticaret A.Ş. (Domestic)	3.082.709	3.109.637
- Nurol Gülermak Makyol Joint Venture	1.462.116	1.554.158
- Gülsan Nurol Joint Venture	--	22.205
- Nurol YDA Özka Joint Venture	--	107.774
- Alkatas Nurol Joint Venture	346.642	14.231
<i>Foreign sales</i>		
- Nurol İnşaat ve Ticaret A.Ş. (Foreign)	1.337.365	2.727.917
- Nurol LLC OPC	1.515.345	520.507
- Nurol Romania Branch	1.276.796	206.876
- Nurol Algeria Branch	261.199	198.261
- Nurol Georgia Branch	110.962	158.466
	9.393.134	8.620.032
Sales return (-)	(1.052)	(183)
	9.392.082	8.619.849

24. Other Income and Expenses from Operating Activities

	01.01. - 30.06.2025	01.01. - 30.06.2024
<i>Other income from operating activities</i>		
Reversal of litigation provision (Note 19)	258.653	--
Nurol Nurol LLC OPC insurance income	21.530	2.966
Reversal of doubtful debt provision (Note 6)	13.168	274
Reversal of unpaid vacation provision	5.412	1.818
Rediscount interest income	1.983	6.018
Income from sales of scrap and raw materials	1.628	3.594
Incentive income	--	11.309
Other	7.882	1.718
	310.256	27.697

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

	01.01. - 30.06.2025	01.01. - 30.06.2024
<i>Other expenses from operating activities</i>		
Rediscount expense	(52.809)	(15.235)
Litigation and provision expenses (Note 19)	(32.803)	(34.599)
Doubtful debt provision expenses (Note 6, 8)	(5.106)	(7.623)
Retirement pay provision interest expense (Note 20)	(2.899)	(1.785)
Donation and grants	(1.036)	(205)
Scrap, raw material and material sales losses	(340)	(897)
Expenses under Law No. 7194	(95)	(2.594)
Other	(6.329)	(2.683)
	(101.417)	(65.621)

25. Income and Expenses from Investing Activities

	01.01. - 30.06.2025	01.01. - 30.06.2024
<i>Income from investing activities</i>		
Dividend income (*)	116.637	94.453
Rent income	107.925	95.831
Profit from sale of property, plant and equipment	22.742	29.330
Value increases of investment properties	--	11.322
	247.304	230.936

(*) Dividend income is comprised from Otoyol Bakım ve İşletme A.Ş.

	01.01. - 30.06.2025	01.01. - 30.06.2024
<i>Expenses from investing activities</i>		
Value impairment of investment properties	(589.335)	--
Loss from sale of property, plant and equipment	(81.031)	(17.464)
	(670.366)	(17.464)

26. Financial Income and Expenses

	01.01. - 30.06.2025	01.01. - 30.06.2024
<i>Financial income</i>		
Foreign exchange income	2.676.710	1.067.952
Interest income	572.656	314.014
Increase of in value of marketable securities	6.478	--
	3.255.844	1.381.966

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26. Financial Income and Expenses (Continued)

<i>Financial expenses</i>	01.01. - 30.06.2025	01.01. - 30.06.2024
Foreign exchange expenses	(7.318.849)	(4.411.472)
Interest expenses	(3.102.800)	(2.634.397)
Bond issuance interest expenses	(799.738)	(1.074.242)
Bank commission expenses	(163.893)	(130.972)
Letters of guarantee expenses	(21.629)	(16.522)
	(11.406.909)	(8.267.605)

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 offset from last year's profits. There is no practice in Turkey for reaching an agreement with the tax authority regarding taxes payable. Corporate tax returns are submitted to the relevant tax office by the end of the fourth month following the end of the reporting period. However, the tax authorities have the right to examine the accounting records within five years, and if any incorrect transactions are identified, the amounts of taxes payable may be adjusted.

Corporate income tax is applied on the tax base calculated by adding back expenses not deductible under the tax legislation and deducting exemptions specified in the tax legislation from the accounting profit. As of 30 June 2025, the general corporate tax rate is 25%. Companies are required to submit their corporate tax returns to the tax authorities by the end of the fourth month following the end of the relevant accounting period.

For the accounting periods ending on 30 June 2025 and 2024 the details of tax provision in the statements of income are as follows:

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

United Arab Emirates

As of 30 June 2025, 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 2025 and 2024 balance sheet date, the tax liability details are as follows:

	01.01. - 30.06.2025	01.01. - 30.06.2024
Current period tax expense	(2.563)	--
Deferred tax income / (expense)	1.598.402	800.123
	1.595.839	800.123

The tax provision in the balance sheet for the accounting periods ended as of 30 June 2025 and 31 December 2024 is as follows;

<i>Current</i>	30.06.2025	31.12.2024
Current period corporate tax provision	78.204	77.196
Prepaid taxes (-) (*)	(267.966)	(249.207)
	(189.762)	(172.011)

- (*) 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% (2024: 25%). This prepaid corporation tax can be recovered by deduction from future corporation tax liabilities. Recovery by deduction from other taxes is also possible.

<i>Non-current</i>	30.06.2025	31.12.2024
Prepaid taxes (-) (**)	343.775	510.558
	343.775	510.558

- (**) In accordance with Turkish Income Tax Law No.42, 5% 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.

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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;

Cumulative temporary differences	30.06.2025	31.12.2024
Ongoing constructions	10.689.906	7.990.493
Litigation provision	90.569	71.689
Unused vacation provision	31.351	35.819
Provisions for employee benefits	13.674	13.254
Unaccrued finance expenses	46.818	20.194
Written off assets	18.272	15.224
Provision for doubtful receivables	14.818	11.485
Provision for doubtful other receivables	--	2.077
Other	65	336
Adjustments related to tangible and intangible fixed assets	6.776.903	7.318.410
Valuation of financial investments	(124.787)	(268.215)
Unaccrued finance income	(18.734)	(46.730)
Ongoing constructions	(3.345.694)	(2.730.324)
Valuation of investment properties	(8.552.849)	(13.025.604)
Adjustments related to goodwill	(45.607)	(98.095)
Adjustments related to inventories	41.240	(40.729)
Foreign exchange difference	(25)	--
Other	(6)	--
	5.635.914	(730.716)
Deferred tax assets / (liabilities)	30.06.2025	31.12.2024
Ongoing constructions	2.672.477	1.997.623
Litigation provision	22.642	17.922
Unused vacation provision	7.838	8.955
Provisions for employee benefits	3.419	3.314
Unaccrued finance expenses	11.705	5.048
Written off assets	4.568	3.806
Provision for doubtful receivables	3.705	2.871
Provision for doubtful other receivables	--	519
Other	16	84
Adjustments related to tangible and intangible fixed assets	1.694.226	1.829.602
Valuation of financial investments	(31.197)	(67.054)
Unaccrued finance income	(4.684)	(11.683)
Ongoing constructions	(836.424)	(682.581)
Valuation of investment properties	(2.138.213)	(3.256.398)
Adjustments related to goodwill	(11.402)	(24.524)
Adjustments related to inventories	10.310	(10.182)
Foreign exchange difference	(6)	--
Other	(2)	--
	1.408.978	(182.678)

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

Deferred tax (Continued)

	30.06.2025	31.12.2024
Deferred tax assets	2.726.370	3.869.744
Deferred tax liabilities (-)	(1.317.392)	(4.052.422)
Deferred tax assets / liabilities, net	1.408.978	(182.678)

As of 30 June 2025, the movement table of the Group’s deferred tax assets / liabilities is as follows:

	01.01. - 30.06.2025	01.01. - 31.12.2024
Opening balance, 1 January	(182.678)	1.875.357
Period deferred tax income (expense)	1.598.402	2.536.362
Deferred tax reversed as part of revaluation reversal	--	8.902
Deferred tax attributable to equity	(5.089)	9.960
Tax attribute to monetary loss / gain	(1.657)	(4.613.259)
Deferred tax assets / liabilities, net	1.408.978	(182.678)

28. Disclosures on Net Monetary Position Gains

Non-monetary items	30.06.2025
Inventories	11.520
Goodwill	45.607
Property, plant and equipment and intangible assets	239.323
Investment properties	(2.019.155)
Ongoing constructions	264.754
Financial investments	124.787
Share capital	(1.291.357)
Other equity items	(84.663)
Deferred tax	1.351.168
Income statement items	90.819
Retained earnings	(4.546.962)
Net monetary position losses	(5.814.159)

29. 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. - 30.06.2025	01.01. - 30.06.2024
Profit/(loss) for the period	(3.565.627)	(5.360.030)
Weighted average number of shares with nominal value	3.000.000	900.000
Earnings per share	N/A	N/A

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30. 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 2025 and 2024, 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. - 30.06.2025	01.01. - 31.12.2024
Total financial liabilities	30.049.388	29.283.887
Less: cash and cash equivalents	(2.159.129)	(3.420.990)
Net financial debt	27.890.259	25.862.897
Total equity	35.754.960	39.260.861
Used capital	63.645.219	65.123.758
Net debt/used capital	44%	40%

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.

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30. 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 2025)						
Maximum credit risk exposures as of report date						
(A+B+C+D)	13.451	7.980.548	115.357	1.782.471	2.142.364	16.765
- Secured part of maximum credit risk exposure via collateral etc.	--	--	--	--	--	--
A. Net book value of the financial assets that are neither overdue not impaired	13.451	7.980.548	115.357	1.782.471	2.142.364	16.765
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)	--	31.613	--	2.870	--	--
- Impairment (-)	--	(31.613)	--	(2.870)	--	--
- 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	--	--	--	--	--	--

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30. 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			
Current period (31 December 2024)	Related party	Third party	Related party	Third party	Bank deposits	Other
Maximum credit risk exposures as of report date						
(A+B+C+D)	20.936	5.452.011	318.594	1.182.500	3.406.982	14.008
- Secured part of maximum credit risk exposure via collateral etc.	--	--	--	--	--	
A. Net book value of the financial assets that are neither overdue not impaired	20.936	5.452.011	318.594	1.182.500	3.406.982	14.008
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)	--	47.563	--	2.076	--	--
- Impairment (-)	--	(47.563)	--	(2.076)	--	--
- 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	--	--	--	--	--	--

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30. 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 2025		Total Disposals (I+II+III+IV)				
Bank credits	24.886.034	24.886.034	1.138.368	12.522.048	11.225.618	--
Issues of debt securities	3.400.000	3.400.000	--	--	3.400.000	--
Finance lease obligations	231.659	231.659	12.133	36.399	183.127	--
Trade payables	12.563.423	12.563.423	--	7.248.774	5.314.649	--
Other debts	3.355.865	3.355.865	--	126.477	3.229.388	--
Total liabilities	44.436.981	44.436.981	1.150.501	19.933.698	23.352.782	--
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 2024		Total Disposals (I+II+III+IV)				
Bank credits	25.542.316	25.542.316	449.100	1.347.299	23.745.917	--
Issues of debt securities	3.733.566	3.733.566	--	816.690	2.916.876	--
Finance lease obligations	7.146	7.146	1.539	4.615	992	--
Trade payables	10.267.150	10.267.150	--	5.216.942	5.050.207	--
Other debts	354.839	354.839	--	168.925	185.914	--
Total liabilities	39.905.017	39.905.017	450.639	7.554.472	31.899.906	--

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30. 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.

	30.06.2025	31.12.2024
Foreign currency assets	10.896.557	13.576.016
Foreign currency liabilities	(29.992.727)	(32.943.708)
Net foreign currency position	(19.096.170)	(19.367.692)

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30. 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)

30.06.2025	USD	EUR	DZD	AED	RON	GEL	PLN	TL Equivalent
1. Trade receivables	3.007	109	5.368.399	91.222	503.073	1.914	--	7.371.848
2a. Monetary financial assets	24.530	389	99.953	187.699	10.353	2.497	2	3.174.432
2b. Non-monetary financial assets	100	416	--	--	23.759	--	--	239.986
3. Other	5	--	23.296	--	--	--	--	7.361
4. Current Assets (1+2+3)	27.642	914	5.491.648	278.921	537.185	4.411	2	10.793.627
5. Trade receivables	--	--	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--	--
7. Other	267	4	--	--	10.104	--	--	102.930
8. Non-current Assets (5+6+7)	267	4	--	--	10.104	--	--	102.930
9. Total Assets (4+8)	27.909	918	5.491.648	278.921	547.289	4.411	2	10.896.557
10. Trade payables	3.045	3.689	1.463.738	131.989	512.799	2.279	--	6.872.316
11. Financial liabilities	--	--	--	--	--	--	--	--
12a. Monetary other liabilities	--	--	261.447	--	--	--	--	80.377
12b. Non-monetary other liabilities	--	--	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	3.045	3.689	1.725.185	131.989	512.799	2.279	--	6.952.693
14. Trade payables	48.016	73.172	--	--	--	--	--	5.314.618
15. Financial liabilities	129.807	238.643	--	94.288	--	29.747	--	17.717.468
16 a. Monetary other liabilities	200	--	--	--	--	--	--	7.948
16 b. Non-monetary other liabilities	--	--	--	--	--	--	--	--
17. Non-current Liabilities (14+15+16)	178.023	311.815	--	94.288	--	29.747	--	23.040.034
18. Total Liabilities (13+17)	181.068	315.504	1.725.185	226.277	512.799	32.026	--	29.992.727
19. Off-balance sheet derivatives Net Asset/(Liability) Position (19a-19b)	--	--	--	--	--	--	--	--
19a. Total Amount of Hedged Assets	--	--	--	--	--	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--	--	--	--	--	--
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(153.159)	(314.586)	3.766.463	52.644	34.490	(27.615)	2	(19.096.170)
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (=1+2a+5+6a-10-11-12a-14-15-16a)	(153.531)	(315.006)	3.743.167	52.644	627	(27.615)	2	(19.446.447)

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30. 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)

30.06.2025	USD	EUR	GBP	RUB	DZD	AED	RON	GEL	PLN	TL Equivalent	Indexed TL Equivalent
1. Trade receivables	1.033	383	--	--	6.314.957	77.921	176.902	995	--	3.747.249	4.371.915
2a. Monetary financial assets	55.297	64.009	65	187	111.554	328.012	6.523	1.823	2	7.530.344	8.785.652
2b. Non-monetary financial assets	1.604	1.707	--	--	--	--	32.289	--	--	356.259	415.647
3. Other	--	--	--	--	--	--	--	--	--	--	--
4. Current Assets (1+2+3)	57.934	66.099	65	187	6.426.511	405.933	215.714	2.818	2	11.633.852	13.573.215
5. Trade receivables	43	--	--	--	3.409	--	--	--	--	2.401	2.801
6a. Monetary financial assets	--	--	--	--	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--	--	--	--	--
8. Non-current Assets (5+6+7)	43	--	--	--	3.409	--	--	--	--	2.401	2.801
9. Total Assets (4+8)	57.977	66.099	65	187	6.429.920	405.933	215.714	2.818	2	11.636.253	13.576.016
10. Trade payables	3.511	4.041	--	--	1.736.584	136.821	240.579	10.909	--	3.931.890	4.587.336
11. Financial liabilities	22.913	--	--	--	--	--	--	--	--	807.072	941.611
12a. Monetary other liabilities	69.740	6.576	--	--	261.447	--	24	--	--	2.766.262	3.227.398
12b. Non-monetary other liabilities	--	--	--	--	--	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	96.164	10.617	--	--	1.998.031	136.821	240.603	10.909	--	7.505.224	8.756.345
14. Trade payables	57.515	62.664	--	--	--	--	--	--	--	4.328.329	5.049.861
15. Financial liabilities	304.010	128.222	--	--	--	83.901	--	13.994	--	16.395.426	19.128.544
16 a. Monetary other liabilities	205	--	--	--	1.758	--	--	--	--	7.678	8.958
16 b. Non-monetary other liabilities	--	--	--	--	--	--	--	--	--	--	--
17. Non-current Liabilities (14+15+16)	361.730	190.886	--	--	1.758	83.901	--	13.994	--	20.731.433	24.187.363
18. Total Liabilities (13+17)	457.894	201.503	--	--	1.999.789	220.722	240.603	24.903	--	28.236.657	32.943.708
19. Off-balance sheet derivatives Net Asset/(Liability) Position (19a-19b)	--	--	--	--	--	--	--	--	--	--	--
19a. Total Amount of Hedged Assets	--	--	--	--	--	--	--	--	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--	--	--	--	--	--	--	--	--
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(399.917)	(135.404)	65	187	4.430.131	185.211	(24.889)	(22.085)	2	(16.600.404)	(19.367.692)
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (=1+2a+5+6a-10-11-12a-14-15-16a)	(401.521)	(137.111)	65	187	4.430.131	185.211	(57.178)	(22.085)	2	(16.956.663)	(19.783.339)

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30. 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 2025	31 December 2024
Fixed Rate Financial Instruments			
Financial assets	<i>Time deposits</i>	985.145	2.361.230
	<i>Financial assets available for sale</i>	176.884	213.918
Financial liabilities		231.659	7.146
Variable Rate Financial Instruments			
Financial assets		117.377	--
Financial liabilities		29.196.652	28.094.218

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

Fair Value

30 June 2025	Financial assets/liabilities at amortized cost	Fair value	Book value
<i><u>Financial assets</u></i>			
Cash and cash equivalents	2.159.129	2.159.129	2.159.129
Trade receivables	7.980.548	7.980.548	7.980.548
Trade receivables from related parties	128.808	128.808	128.808
Other financial assets	294.261	294.261	294.261
<i><u>Financial liabilities</u></i>			
Financial liabilities	30.049.388	30.049.388	30.049.388
Trade payables	12.553.696	12.553.696	12.553.696
Trade payables to related parties	3.076.332	3.076.332	3.076.332
31 December 2024	Financial assets/liabilities at amortized cost	Fair value	Book value
<i><u>Financial assets</u></i>			
Cash and cash equivalents	3.420.990	3.420.990	3.420.990
Trade receivables	5.452.011	5.452.011	5.452.011
Trade receivables from related parties	339.530	339.530	339.530
Other financial assets	213.918	213.918	213.918
<i><u>Financial liabilities</u></i>			
Financial liabilities	29.283.887	29.283.887	29.283.887
Trade payables	10.153.591	10.153.591	10.153.591
Trade payables to related parties	220.711	220.711	220.711

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**31. 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.

32. Events After the Reporting Date

None.

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33. Consolidated Financial Statements Ratios

CURRENT RATIO

I -	Current Assets			TL		
	Short Term Liabilities					
a	30.06.2025 Current Ratio	=		19.809.995	=	1,80
				10.988.406		
b	2024 Current Ratio	=		19.314.556	=	1,83
				10.564.820		
c	2023 Current Ratio	=		13.486.505	=	1,36
				9.912.980		

EQUITY RATIO

II -	Equity			TL		
	Total Assets					
a	30.06.2025 Equity Ratio	=		35.754.960	=	0,42
				85.586.060		
b	2024 Equity Ratio	=		39.260.861	=	0,45
				86.523.904		
c	2023 Equity Ratio	=		40.372.881	=	0,46
				87.188.133		

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33. Consolidated Financial Statements Ratios (Continued)

III -	Short Term Bank Loans		TL	
	Equity			
a	30.06.2025	=	$\frac{1.718.549}{35.754.960}$	= 0,05
b	2024	=	$\frac{2.619.331}{39.260.861}$	= 0,07
c	2023	=	$\frac{1.848.086}{40.372.881}$	= 0,05