

**ALARKO HOLDİNG A.Ş.  
AND IT'S SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE SIX MONTHS PERIOD  
ENDED JUNE 30, 2023 TOGETHER WITH  
INDEPENDENT AUDITORS' REVIEW REPORT

*(Convenience Translation of Consolidated  
Financial Statements and Audit Report  
Originally Issued in Turkish)*

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*CONVENINCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH*

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**To The General Assembly  
Alarko Holding Anonim Şirketi;**

### ***Introduction***

We have reviewed the accompanying condensed consolidated statement of financial position of Alarko Holding Anonim Şirketi (“the Company”) and Its Subsidiaries (together will be referred as “the Group”) as of 30 June 2023 and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated changes in equity and condensed consolidated cash flows (“interim condensed consolidated financial information”) for the six-month period then ended. The Group management, is responsible for the preparation and fair presentation of this condensed consolidated interim financial statements in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial information based on our review.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, “Review of Interim Financial Statements Performed by the Independent Auditor of the Entity”. A review of interim financial statements 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 independent audit conducted in accordance with International Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial statement does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with Turkish Accounting Standard 34 “Interim Financial Reporting”.

Istanbul,  
18 August 2023

**BDO Denet Bağımsız Denetim  
ve Danışmanlık A.Ş.**  
Member, BDO International Network

Taceddin Yazar, SMMM  
Partner in charge

BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş., a Turkish joint stock company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Garantisi ile sınırlı bir Birleşik Krallık şirketi olan BDO International Limited'in üyesi ve bir Türk anonim şirketi olan BDO Denet Bağımsız Denetim ve Danışmanlık Anonim Şirketi, bağımsız üye kuruluşlardan oluşan BDO ağıнын bir parçasını teşkil etmektedir.

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

### ASSETS

		Current period	Prior period
		Reviewed	Audited
	Notes	30 June 2023	31 December 2022
<b>Current assets</b>		<b>10.782.129.681</b>	<b>8.596.463.710</b>
Cash and cash equivalents	5	1.586.265.333	5.088.979.447
Financial investments	6	5.524.403.371	721.322.159
Trade receivables		2.024.944.916	1.625.957.764
- Trade receivables from related parties	8, 28	18.207.237	12.063.784
- Trade receivables from third parties	8	2.006.737.679	1.613.893.980
Other receivables		14.171.370	10.599.675
- Other receivables from related parties	28	998.791	1.399.562
- Other receivables from third parties		13.172.579	9.200.113
Assets arising from customer contracts		59.944.918	14.810.904
- Contract assets from ongoing construction and contracting works and commitments	11	59.604.532	14.810.904
- Contract assets from sale of goods and service	11	340.386	-
Derivative financial instruments	12	-	6.380.266
Inventories	9	730.177.973	585.502.519
Prepaid expenses	10	488.275.922	375.248.865
Current income tax assets		37.847.094	49.959.914
Other current assets		283.157.001	94.653.640
<b>Subtotal</b>		<b>10.749.187.898</b>	<b>8.573.415.153</b>
Non-current assets held for sale	16	32.941.783	23.048.557
<b>Non-current assets</b>		<b>20.861.633.832</b>	<b>16.076.966.997</b>
Financial investments	6	1.478.238.220	780.124.390
Trade receivables		126.693	89.707
- Trade receivables from third parties	8	126.693	89.707
Other receivables		74.091.465	67.276.911
- Other receivables from related parties	28	73.607.021	66.797.272
- Other receivables from third parties		484.444	479.639
Investments accounted by equity method	14	14.528.182.722	11.739.929.611
Investment properties	15	1.632.172.847	1.570.188.952
Property, plant and equipment		1.596.532.509	955.787.991
Right of use assets		109.504.202	92.746.379
Intangible assets		166.662.714	101.079.409
-Goodwill	3	51.475.693	3.130.507
-Other intangible assets		115.187.021	97.948.902
Prepaid expenses	10	124.864.162	20.915.561
Deferred tax asset	26	1.027.322.439	624.261.926
Other non-current assets		123.935.859	124.566.160
<b>Total assets</b>		<b>31.643.763.513</b>	<b>24.673.430.707</b>

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

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

		Current Period	
		Reviewed	Prior period Audited
Notes		30 June 2023	31 December 2022
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>9.020.835.261</b>	<b>7.470.327.608</b>
Short term financial liabilities	7	2.619.225.920	1.512.935.255
Short term portion of long term financial liabilities	7	12.081.129	40.931.353
Trade payables		1.319.949.887	1.68.536.565
-Trade payables to related parties	8, 28	9.666.498	3.391.945
-Trade payables to third parties	8	1.310.283.389	1.065.144.620
Payables related to employee benefits		53.732.543	35.705.587
Other payables		3.114.255.445	3.196.531.933
-Other payables to related parties	28	2.997.274.842	3.088.888.161
- Other payables to third parties		116.980.603	107.643.772
Liabilities arising from customer contracts		692.558.911	804.214.336
- Contract liabilities arising from ongoing construction and commitments	11	682.414.639	797.787.798
-Contract liabilities arising from sales of goods and services	11	10.144.272	6.426.538
Deferred income (Except for obligations arising from customer contracts)	13	885.744.249	704.546.977
Current income tax liabilities		282.514.828	67.703.588
Short-term provisions		40.767.689	39.218.946
-Other short term provisions	20	40.767.689	39.218.946
Other current liabilities		4.660	3.068
<b>Non-current liabilities</b>		<b>1.647.388.895</b>	<b>951.356.264</b>
Long-term financial liabilities	7	165.947.317	140.737.974
Other payables		408.063.550	287.214.621
-Other payables to third parties		408.063.550	287.214.621
Liabilities arising from customer contracts		134.084.980	101.441.962
-Contract liabilities arising from ongoing construction and commitments	11	132.134.367	101.408.355
-Contract liabilities arising from sales of goods and services	11	1.950.613	33.607
Investments accounted by equity method liabilities	14	46.250.581	43.863.639
Deferred income (Except for obligations arising from customer contracts)	13	536.292.396	139.578.031
Long-term provisions		103.306.056	78.480.301
- Long-term provisions related to employee benefit obligations	22	103.306.056	78.480.301
Deferred tax liabilities	26	253.444.015	160.039.736
<b>Equity</b>		<b>20.975.539.357</b>	<b>16.251.746.835</b>
<b>Attributable to equity holders of the parents</b>		<b>19.512.372.477</b>	<b>14.932.016.473</b>
Paid-in share capital	23	435.000.000	435.000.000
Repurchased shares (-)	23	(354.915.650)	(147.313.116)
Cross shareholding adjustment (-)	23	(1.535.883)	(1.535.883)
Other comprehensive income / (expense) not to be reclassified to profit or loss		(107.596.543)	(76.005.267)
Loss			
- Revaluation and measurement gain / (loss)		(107.596.543)	(76.005.267)
Actuarial gain / (loss) arising from defined benefit plans		(107.596.543)	(76.005.267)
Other comprehensive income / (expenses) to be reclassified to profit or loss		787.379.313	446.236.719
- Foreign currency translation differences		785.876.728	444.785.163
-Revaluation and reclassification gain / (loss)		1.502.585	1.451.556
Gains / (losses) from financial assets at fair value through other comprehensive income		1.502.585	1.451.556
Restricted reserves		378.930.172	165.282.802
Dividend advances paid (-)		(303.424.881)	-
Accumulated profit or loss		13.753.660.690	2.669.566.303
Net profit or loss for the period	23	4.924.875.259	11.440.784.915
<b>Non-controlling interest</b>	23	<b>1.463.166.880</b>	<b>1.319.730.362</b>
<b>Total liabilities</b>		<b>31.643.763.513</b>	<b>24.673.430.707</b>

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

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

		Reviewed	Unreviewed	Reviewed	Unreviewed
	Notes	1 January 2023 30 June 2023	1 April 2023 30 June 2023	1 January 2022 30 June 2022	1 April 2022 30 June 2022
<b>PROFIT OR LOSS</b>					
Revenue	24	3.203.695.196	1.812.600.006	2.737.393.871	1.757.392.306
Cost of sales (-)	24	(2.858.894.508)	(1.714.710.960)	(2.092.636.568)	(1.355.413.726)
<b>Gross profit</b>		<b>344.800.688</b>	<b>97.889.046</b>	<b>644.757.303</b>	<b>401.978.580</b>
General administrative expenses (-)		(279.065.681)	(118.674.977)	(133.581.656)	(86.606.491)
Marketing expenses (-)		(20.722.751)	(14.117.138)	(10.605.372)	(7.610.475)
Other income from operating activities	25	2.073.805.389	1.770.120.559	546.470.628	321.955.072
Other expenses from operating activities (-)		(436.815.593)	(261.410.663)	(368.508.847)	(206.613.248)
<b>Operating profit / (loss)</b>		<b>1.682.002.052</b>	<b>1.473.806.827</b>	<b>678.532.056</b>	<b>423.103.438</b>
Income from investing activities		309.706.606	187.468.239	31.722.610	20.643.048
Expenses from investing activities (-)		(8.205.525)	(7.929.156)	(115.996)	44.264
Share of profits / (losses) of investments accounted by equity method	14	3.398.532.356	1.762.353.394	2.720.618.687	1.913.889.793
<b>Operating profit / (loss) before financial income / (expense)</b>		<b>5.382.035.489</b>	<b>3.415.699.304</b>	<b>3.430.757.357</b>	<b>2.357.680.543</b>
Financial income		22.900.000	16.767.521	-	(621.119)
Financial expenses (-)		(345.311.878)	(325.810.731)	(24.868.903)	(8.577.281)
<b>Profit / (loss) before tax from continued operations</b>		<b>5.059.623.611</b>	<b>3.106.656.094</b>	<b>3.405.888.454</b>	<b>2.348.482.143</b>
Tax (expense) / income of continued operations	26	27.071.437	121.905.489	(56.067.313)	(68.832.817)
- Tax (expense) / income for the period	26	(285.077.146)	(216.247.918)	(40.145.782)	(39.356.771)
- Deferred tax (expense) / income	26	312.148.583	338.153.407	(15.921.531)	(29.476.046)
<b>Net profit / (loss) from continued operations</b>		<b>5.086.695.048</b>	<b>3.228.561.583</b>	<b>3.349.821.141</b>	<b>2.279.649.326</b>
<b>Profit / (loss) for the period</b>		<b>5.086.695.048</b>	<b>3.228.561.583</b>	<b>3.349.821.141</b>	<b>2.279.649.326</b>
Distribution of profit / (loss) for the period					
- Non-controlling interest	23	161.819.789	139.045.057	84.919.178	45.837.403
- Parent company shares	27	4.924.875.259	3.089.516.526	3.264.901.963	2.233.811.923
<b>Earnings per share / (loss)</b>		<b>11,437</b>	<b>7,186</b>	<b>7,506</b>	<b>5,135</b>
- Earnings / (loss) per share	27	11,437	7,186	7,506	5,135
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items not to be reclassified to profit or loss</b>		<b>(31.605.022)</b>	<b>(12.935.565)</b>	<b>(13.848.341)</b>	<b>(11.658.151)</b>
- Actuarial gain / (loss) arising from defined benefit plans		(22.609.652)	(11.863.019)	(7.508.862)	(8.326.386)
- Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit / loss		(19.530.883)	(6.936.394)	(9.780.505)	(6.222.775)
- Tax of other comprehensive income not to be reclassified to profit or loss		10.535.513	5.863.848	3.441.026	2.891.010
- Deferred tax income / (expense)		10.535.513	5.863.848	3.441.026	2.891.010
<b>Items to be reclassified to profit or loss in subsequent periods</b>		<b>366.542.622</b>	<b>288.443.648</b>	<b>172.228.652</b>	<b>188.430.818</b>
- Currency translation differences relate to the translation of businesses abroad		(77.955.098)	(94.361.754)	144.895.182	128.635.333
- Other comprehensive income/(expense) related to financial assets whose fair value difference is reflected in other comprehensive income		50.983	176.120	259.545	254.902
- Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss		444.446.737	382.629.282	27.073.925	59.540.583
<b>Other comprehensive income</b>		<b>334.937.600</b>	<b>275.508.083</b>	<b>158.380.311</b>	<b>176.772.667</b>
<b>Total comprehensive income / (expense)</b>		<b>5.421.632.648</b>	<b>3.504.069.666</b>	<b>3.508.201.452</b>	<b>2.456.421.993</b>
Distribution of total comprehensive income / (expense)					
- Non-controlling interest		187.206.071	172.016.392	152.351.061	113.131.989
- Parent company shares		5.234.426.577	3.332.053.274	3.355.850.391	2.343.290.004

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

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

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

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

					Other comprehensive income/expenses not to be reclassified to profit or loss	Other comprehensive income/expenses to be reclassified to profit or loss				Accumulated profit				
	Notes	Paid-in share capital	Repurchased shares	Cross shareholding adjustment	Gain / (loss) on remeasurement of defined benefit plans	Currency translation differences	Gain / (loss) from financial assets at fair value through the statement of other comprehensive income)	Restricted reserves	Dividend advances paid	Retained earnings / (accumulated losses)	Net profit/(loss) for the period	Attributable to equity holders of the parent	Non-controlling interest	Total equity
As of 1 January 2022	23	435.000.000	(10.118.710)	(1.535.883)	(18.610.769)	329.464.846	96.983	28.624.441	-	1.653.763.928	1.274.416.737	3.691.101.573	867.439.308	4.558.540.881
Transfers		-	-	-	-	-	-	4.878.055	-	1.269.538.682	(1.274.416.737)	-	-	-
Total comprehensive income / (expense)		-	-	-	(13.794.041)	104.482.688	259.781	-	-	-	3.264.901.963	3.355.850.391	152.351.061	3.508.201.452
Net profit/ (loss) for the period		-	-	-	-	-	-	-	-	-	3.264.901.963	3.264.901.963	84.919.178	3.349.821.141
Other comprehensive income / (expense)		-	-	-	(13.794.041)	104.482.688	259.781	-	-	-	-	90.948.428	67.431.883	158.380.311
The effect of mergers involving undertakings or businesses under common control		-	-	-	-	(26.208.283)	-	-	-	(16.825.562)	-	(43.033.845)	43.033.845	-
Dividends		-	2.416.907	-	-	-	-	-	-	(99.696.747)	-	(97.279.840)	(49.552.560)	(146.832.400)
Increase (decrease) due to share buyback transactions		-	(19.256.602)	-	-	-	-	19.256.602	-	(19.256.602)	-	(19.256.602)	-	(19.256.602)
Transactions with non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	427.500	427.500
Balance as of 30 June 2022	23	435.000.000	(26.958.405)	(1.535.883)	(32.404.810)	407.739.251	356.764	52.759.098	-	2.787.523.699	3.264.901.963	6.887.381.677	1.013.699.154	7.901.080.831
As of 1 January 2023	23	435.000.000	(147.313.116)	(1.535.883)	(76.005.267)	444.785.163	1.451.556	165.282.802	-	2.669.566.303	11.440.784.915	14.932.016.473	1.319.730.362	16.251.746.835
Transfers		-	-	-	-	-	-	6.724.450	-	11.434.060.465	(11.440.784.915)	-	-	-
Total comprehensive income / (expense)		-	-	-	(31.591.276)	341.091.565	51.029	-	-	-	4.924.875.259	5.234.426.577	187.206.071	5.421.632.648
Net profit/ (loss) for the period		-	-	-	-	-	-	-	-	-	4.924.875.259	4.924.875.259	161.819.789	5.086.695.048
Other comprehensive income / (expense)		-	-	-	(31.591.276)	341.091.565	51.029	-	-	-	-	309.551.318	25.386.282	334.937.600
Profit share advances paid during the period		-	-	-	-	-	-	-	(303.424.881)	-	-	(303.424.881)	-	(303.424.881)
Dividends		-	8.662.891	-	-	-	-	(5.768.000)	-	(137.275.158)	-	(134.380.267)	(53.022.115)	(187.402.382)
Increase (decrease) due to share buyback transactions		-	(216.265.425)	-	-	-	-	212.690.920	-	(212.690.920)	-	(216.265.425)	(3.407.242)	(219.672.667)
Acquisition or disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	12.554.804	12.554.804
Transactions with non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	105.000	105.000
Balance as of 30 June 2023	23	435.000.000	(354.915.650)	(1.535.883)	(107.596.543)	785.876.728	1.502.585	378.930.172	(303.424.881)	13.753.660.690	4.924.875.259	19.512.372.477	1.463.166.880	20.975.539.357

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

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

	Current Period	Prior period
	Reviewed	Reviewed
	Notes	30 June 2022
<b>A. Cash flows arising from principal activities</b>	<b>1.763.598.625</b>	<b>(596.413.900)</b>
Profit/ (loss) for the period	5.086.695.048	3.349.821.141
<b>Adjustments related to reconciliation of profit/ (loss) for the period</b>	<b>(3.174.727.605)</b>	<b>(2.974.922.834)</b>
-Adjustments related to depreciation and amortization	57.815.807	39.182.776
-Adjustments related to provisions	27.990.136	17.062.285
-Adjustments related to interest (income) / expense	(112.255.903)	(23.840.625)
-Adjustment related to unrealized exchange losses	386.305.540	(338.162.845)
-Adjustments on losses/(gains) of fair value	6.380.266	11.768.069
-Cash flows from investments accounted by equity method	(3.398.532.356)	(2.720.618.687)
-Adjustments related to tax expense / (income)	(27.071.437)	56.067.313
-Adjustments related to (gain) / loss on sale of fixed assets	(6.580.633)	(880.941)
-Adjustments related to losses / (gains) on disposal of non-current assets held for sale or to be distributed to shareholders	(563.117)	(102.794)
-Other adjustments related to cash flows arising from investment and financing activities	(112.824.266)	(14.798.683)
-Other adjustments for reconciliation of profit / (loss)	4.608.358	(598.702)
<b>-Net working capital changes</b>	<b>(137.447.345)</b>	<b>(755.318.991)</b>
-Adjustments in decrease / (increase) in trade receivables	(404.169.945)	(437.305.524)
-Adjustments in decrease / (increase) in other receivables related to operations	(10.386.249)	(17.931.788)
-Adjustments in decrease / (increase) in assets arising from customer contract	(45.134.014)	(3.189.237)
-Adjustments in decrease / (increase) in inventories	(144.675.454)	(461.042.300)
-Adjustments in decrease / (increase) in prepaid expense	(216.975.658)	(70.854.294)
-Adjustments in increase / (decrease) in trade payables	251.529.618	442.445.495
-Adjustments in increase / (decrease) in employee benefit payables	18.026.956	1.113.124
-Adjustments in increase / (decrease) in liabilities arising from customer contracts	(79.012.407)	(187.279.597)
-Adjustments in increase / (decrease) in other payables related to operations	38.572.441	23.887.110
-Adjustments in increase / (decrease) in deferred income (except for obligations arising from customer contracts)	577.911.637	153.807.529
-Adjustments in other increase / (decrease) in working capital	(123.134.270)	(198.969.509)
<b>Cash flows arising from principal activities</b>	<b>1.774.520.098</b>	<b>(380.420.684)</b>
Interest received	101.962.565	18.262.818
Cash outflows arising from capital increase of associates and/or joint ventures	(18.813.995)	(150.438.775)
Long term provisions related to employee benefit obligations payments	(23.517.854)	(2.556.629)
Payments for other provisions	(286.283)	(8.846.276)
Tax returns / (payments)	(70.265.906)	(72.414.354)
<b>B. Cash flows from investing activities</b>	<b>(4.809.994.627)</b>	<b>(29.385.662)</b>
Cash outflows related to additional share purchase in subsidiaries	(173.763.996)	-
Cash inflows from the sale of shares or debt instruments of other business or funds	6 (5.130.348.697)	(136.206.240)
Cash disbursements for acquisition of other enterprises' or funds' shares or debt instruments	30.233.460	4.406.545
Cash proceeds from sale of property, plant and equipment	(711.264.260)	(106.890.327)
Cash proceeds from sale of non-current assets held for sale	1.057.339	3.962.995
Dividends received	1.174.091.527	205.341.365
<b>C. Cash flows arising from financing activities</b>	<b>(378.363.014)</b>	<b>726.624.468</b>
Cash outflows related to the acquisition of the entity's own shares and other equity instruments	(219.672.667)	(19.256.602)
Cash inflows arising from borrowing	382.442.328	962.520.946
Cash outflows related to debt payments	(28.310.496)	(58.661.521)
Cash outflows from debt payments arising from rental contracts	(13.208.839)	(5.740.045)
Dividend paid	(490.827.263)	(146.832.400)
Interest paid	(8.786.077)	(5.405.910)
<b>Net increase / (decrease) on cash and cash equivalents before the currency translation differences</b>	<b>(3.424.759.016)</b>	<b>100.824.906</b>
<b>D. Effect of currency translation differences on cash and cash equivalents</b>	<b>(77.955.098)</b>	<b>144.895.182</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>(3.502.714.114)</b>	<b>245.720.088</b>
<b>Cash and cash equivalents at the beginning of the period</b>	5 <b>5.088.979.447</b>	<b>840.258.586</b>
<b>Cash and cash equivalents at the end of the period</b>	5 <b>1.586.265.333</b>	<b>1.085.978.674</b>

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



# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

### 1. ORGANIZATION AND PRINCIPLE ACTIVITIES

Alarko Holding A.Ş. (Alarko Holding or the Parent Company) was established in 1972, It's subsidiaries, affiliates, joint operations and jointly controlled entities comprise of companies which operate in various fields, namely, contracting, construction, land development, industry, trade, tourism and energy. In the following sections, Alarko Holding A.Ş and its subsidiaries, affiliates and jointly controlled entities whose financial statements are subject to consolidation will be referred to as “Alarko Group/the Group”,

Business activities, and in which country they operate, direct and indirect shareholdings of the subsidiaries, affiliates and jointly controlled entities included in the consolidation consist of the following:

Company Name	Principle Activities	Shareholding of the Group (%)	
		30 June 2023	31 December 2022
<b>Subsidiaries (*) :</b>			
Alsım Alarko San. Tes. ve Tic. A.Ş. (Turkey)	Contracting and Construction	99,91	99,91
Aldem Alarko Konut İnşaat ve Tic. A.Ş. (Turkey)	Residence, Construction	99,91	99,91
Attaş Alarko Turistik Tesisler A.Ş. (Turkey)	Tourism Facility Management	99,91	99,91
Alarko Fenni Malzeme Satış ve İmalat A.Ş. (Turkey)	Marketing of Industrial Products and After Sales Services	99,99	99,99
Alen Alarko Enerji Tic. A.Ş. (Turkey)	Electrical Power Purchase and Sale Marketing of Industrial Products	99,94	99,94
Alarko Gayrimenkul Yatırım Ort. A.Ş. (Turkey) (**)	Gayrimenkul Purchase and Sales of Real Estates and Market Tools Related to Real Estates	51,20	51,20
Alsım – TCDD (Turkey)	TCDD Ankara- Eskişehir High Speed Railway Project	99,91	99,91
Astana Su- Taldyköl Göl Artma Projesi (Kazakhstan)	Supply of Water and Cleaning of Lake Projects	99,91	99,91
Saret Sanayi Taahhütleri ve Ticaret A.Ş. (Turkey)	Agriculture and Food Production Processing and Trading Service	100,00	100,00
Alarko Enerji A.Ş. (Turkey)	Power Generation	99,93	99,93
Garanti Koza – Alsım Ortak Girişimi (Turkey)	Metro Subway Construction Project	99,91	99,91
Altek Alarko Elektrik Sant. Tes. İşl. ve Tic. A.Ş. (Turkey)	Production of Electrical Energy	99,96	99,96
Bozshakol Bakır Tesisi Projesi (Kazakhstan)	Copper Facility Project	99,91	99,91
AO Mosalarko (Russia)	Russia-Real Estate Project, Construction and Utilization	51,20	51,20
Aktau Manasha Yol Projesi (Kazakhstan)	Highway Construction Project	99,91	99,91
Aktogay Bakır Konsantr Tesisi Projesi (Kazakhstan)	Copper Processing Plant Project	99,91	99,91
Alarko Konut Projeleri Geliştirme A.Ş. (Turkey)	Purchase and Sales of Real Estates and Market Tools Related to Real Estates	99,91	99,91
Alsım Alarko Sanayi Tes. ve Tic. A.Ş. Astana No: 2 Şubesi (Kazakhstan)	Construction and Montage Work	99,91	99,91
Tüm Tesisat ve İnşaat A.Ş. (Turkey)	Construction and Installation Works	50,15	50,15
Alsım Alarko S.R.L. (Romania)	Construction	99,91	99,91
Saret KZ (Kazakhstan)	Construction Works	100,00	100,00
Alsım Almaty Şubesi (Kazakhstan)	Construction Works	99,91	99,91
Alsım Alarko San. Tes. ve Ticaret Bükreş Şubesi (Romania)	Highway Construction Project	99,91	99,91
Alyat Teknoloji Yatırımları Holding A.Ş. (Turkey)	Financial Holding	99,50	99,50
Alsera Jeotermal Tarım Gıda San.ve Tic. A.Ş. (Turkey) (***)	Greenhouse Based on Geothermal Energy	100,00	-
Alser Alarko Sermaye Yatırımları Holding A.Ş. (Turkey) (****)	Financial Holding	100,00	-
Palmira Agro Gübre Sanayi ve Ticaret A.Ş. (Turkey) (****)	Micro Granular Fertilizer Production	80,00	-
Antsan Tarım Sanayi ve Ticaret A.Ş. (Turkey) (****)	Greenhouse Based on Geothermal Energy	100,00	-

(\*) Included in the consolidation by full consolidation method.

(\*\*) It is a public company which is listed on Borsa İstanbul A.Ş. (BİST).

(\*\*\*) Included in the consolidation as of 31 March 2023.

(\*\*\*\*) Included in the consolidation as of 30 June 2023.

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

### 1. ORGANIZATION AND PRINCIPLE ACTIVITIES (CONTINUED)

Business activities, and in which country they operate, direct and indirect shareholdings of the subsidiaries, affiliates and jointly controlled entities included in the consolidation consist of the following (continued):

Company Name	Principle Activities	Shareholding of the Group (%)	
		30 June 2023	31 December 2022
<b>Jointly Controlled Entities(*) :</b>			
Alarko Carrier Sanayi ve Ticaret A.Ş. (Turkey) (***)	Heating, Cooling , Air Conditioning Equipment Manufacturing	43,12	43,12
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Spain)	TCDD Ankara – Eskişehir High Speed Railway Project	44,96	44,96
Alarko – Makyol Adi Ortaklığı (Turkey)	Subway Construction Project	49,95	49,95
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş.(Turkey)	Establishing, Transferring or Operating Electrical Power Distribution Facility	49,96	49,96
Meram Elektrik Dağıtım A.Ş. (Turkey)	Electrical Power Distribution	49,96	49,96
Meram Elektrik Enerjisi Toptan Satış A.Ş. (Turkey)	Electrical Power Sale	49,96	49,96
Cenal Elektrik Üretim A.Ş. (Turkey)	Constructing and Administrating Electricity Power Generation	49,96	49,96
Meram Elektrik Perakende Satış A.Ş.(Turkey)	Electrical Power Sale	49,96	49,96
Algiz Enerji A.Ş. (Turkey)	Constructing and Administrating Electricity Power Generation	49,96	49,96
Panel Enerji A.Ş. (Turkey)	Constructing and Administrating Electricity Power Generation	49,96	49,96
Obrascon Huarte Lain SA - Alsim Alarko San.Tes.ve Ticaret A.Ş. (Turkey)	TCDD Ankara-Eskişehir High Speed Train Project	45,00	45,00
Bakad Investment & Operation LLP (Kazakhstan)	Construction Works	33,27	33,27
Bakad International B.V. (Holland)	Non-Financial Holding	33,27	33,27
<b>Joint Operations (**):</b>			
Alarko Cengiz Metro Ortak Girişimi (Turkey)	Subway Construction Project	49,95	49,95
Bükreş Uluslararası Havalimanı Demiryolu Bağlantısı 6. Metro Kesimi (Romania)	Subway Construction Project	49,95	49,95
(*)	Included in the consolidation by equity method.		
(**)	It has been included in consolidation by proportional consolidation method		
(***)	Public company listed in the Borsa İstanbul A.Ş.		

Company Name	Principle Activities	Shareholding of the Group (%)	
		30 June 2023	31 December 2022
<b>Affiliates (*):</b>			
Al-Riva Projesi Arazi Değ. Konut İnş. ve Tic. A.Ş (Turkey) (**)	Residence, Construction	12,13	12,13
Al-Riva Arazi Değ. Konut İnş. ve Tic. A.Ş. (Turkey) (**)	Residence, Construction	2,63	2,63
Al-Riva Arazi Değ. Konut İnş., Tur. Tes. Golf İŞl. ve Tic. A.Ş. (Turkey) (**)	Residence, Construction and Tourism Facility Management	2,28	2,28
(*)	Included in the consolidation by equity method.		
(**)	The Parent Company has a ratio of 40% control and profit owning from affiliates.		

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 1. ORGANIZATION AND PRINCIPLE ACTIVITIES (CONTINUED)

The address of the Parent Company's head office is as follows:

Muallim Naci Cad. No : 69 Ortaköy / ISTANBUL

As of 30 June 2023 and 31 December 2022, the shareholding structure is as follows:

Name	30 June 2023 Shareholding	31 December 2022 Shareholding
Alaton Family	%34,36	%34,36
Garih Family	%32,15	%32,92
Other (*)	%33,49	%32,72
Total	%100,00	%100,00

(\*) It shows the total of shareholdings which is share is less than 10%.

The shares of Alarko Holding A.Ş. are traded in the Borsa Istanbul A.Ş. (BIST) since May 24, 1989, and, as of 30 June 2023, 30,07% of the Company shares are offered to public.

Alarko Carrier Sanayi ve Ticaret A.Ş., a jointly controlled entity, is registered at the Capital Markets Board (CMB) and 14,77% of its shares are offered to public. The shares are traded at the BIST since January 27, 1992.

Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. (subsidiary) is registered at the Capital Markets Board (CMB) and 48,77% of its shares are offered to public. The shares are traded at the BIST since 1996.

The average number of employees during the period with respect to categories is as follows:

	30 June 2023	31 December 2022
Wage earners	1.730	1.676
Salary earners	3.133	3.456
Total	4.863	5.132

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

##### i. Basis of presentation

###### Statement of compliance to TFRS

The interim condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, ("TAS/TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676.

The condensed consolidated financial statements and notes are presented in accordance with the formats in Examples of Financial Statements and Usage Guide announced by CMB and "TAS Taxonomy" which was published by POA on 15 April 2019 and 4 October 2022.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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#### 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

##### i. Basis of presentation (continued)

###### Statement of compliance to TFRS (continued)

The Group prepared its condensed consolidated interim financial statements for the period ended 30 June 2023 in accordance with (“TAS”) 34 “Interim Financial Reporting” in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. Accompanying interim summary consolidated financial statements of the Group prepared as of 30 June 2023 do not cover all explanations and notes which are required to be included in year-end financial statements dated 31 December 2022. Therefore, aforementioned interim summary consolidated financial statements should be read with financial statements of the Group dated December 31, 2022.

The interim condensed consolidated financial statements based on the statutory records of the Group, are prepared with some adjustments and reclassifications in order to present the Company’s status fairly in accordance with TFRS published by POA.

Alarko Holding and its subsidiaries, jointly controlled entities and affiliates registered in Turkey maintain their books of account and prepare their statutory financial statements (“Statutory Financial Statements”) in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts (“UCA”), issued by the Ministry of Treasury and Finance. Foreign subsidiaries, joint ventures and associates maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements have been prepared under the historical cost conversion.

###### Restatement of Financial Statements in Hyperinflationary Periods

As of January 1, 2005, the application of inflation accounting was terminated. Accordingly, as of January 1, 2005, Standard No. 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) has not been applied. With the decision taken on March 17, 2005, the CMB has announced that, effective from January 1, 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the accounting and reporting principles accepted by the CMB (“CMB Financial Reporting Standards”).

On January 20, 2022, the Public Oversight Authority (POA) issued a statement on the Application of Financial Reporting in Hyperinflationary Economies within the scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium-Sized Enterprises. Accordingly, it is stated that companies applying TFRS do not need to make any adjustments within the scope of TAS 29 in their financial statements for 2021. As of June 30, 2023, no new statement has been made by POA within the scope of TAS 29 and no inflation adjustment has been made in accordance with TAS 29 while preparing the condensed consolidated financial statements as of June 30, 2023.

###### Currency used

The functional currency of the Parent Company is Turkish Lira (TL) and the accompanying condensed consolidated financial statements and related notes are presented in Turkish Lira (TL). The functional currencies of the subsidiaries and jointly controlled entities of the Parent Company located in Spain, Russia, Ukraine, Kazakhstan, Romania and Holland are Euro, Ruble, Hryvnia, Tenge, Ron and USD respectively. In the items of statements of financial position, asset items are translated into TL with the buying rate at the reporting date, liability items are translated into TL with the selling rate at the reporting date, income and expenses translated into at the yearly average rate. Profits or losses arising from currency translation are stated in the “foreign currency translation differences” in the statement of consolidated profit or loss and other comprehensive income.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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#### 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

##### i. Basis of presentation (continued)

###### Approval of condensed consolidated financial statements

Interim condensed consolidated financial statements as of June 30, 2023 are approved on August 18, 2023 by the Company's Board of Directors.

###### Comparative information and amendment of prior period consolidated financial statements

The current period condensed consolidated financial statements of the Group include comparative financial statements to enable the determination of the financial position and performance.

Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period condensed consolidated financial statements.

###### Going concern

The condensed consolidated financial statements have been prepared under the assumption of company's and associates, joint ventures and subsidiaries that are included in the consolidation, will benefit from their assets and fulfill their obligations in the next year and natural flow of their activities according to going concern principals.

##### ii. Consolidation principles:

- (a) The consolidated financial statements include the accounts of the parent company, Alarko, its Subsidiaries and its Associates on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority of Turkey and the application of uniform accounting policies and presentation.
- (b) Subsidiaries are companies over which Alarko Holding A.Ş. has the power to control directly and / or indirectly by itself. Control is normally evidenced when the Company controls an investee if and only if the company has all the following; a) power over the investee b) exposure, or rights, to variable returns from its involvement with the investee and c) the ability to use its power over the investee to affect the amount of company's returns.

The statements of financial position and statements of profit or loss and other comprehensive income statements of the Subsidiaries are consolidated on a line-by-line basis and the registered value of the investment held by Alarko Holding A.Ş. and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Alarko Holding A.Ş. and its subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by Alarko Holding and its Subsidiaries and the associated dividends are eliminated from equity and income accounts for the period, respectively.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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#### 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

##### ii. Consolidation principles (continued)

- (c) Jointly controlled entities are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Alarko Holding A.Ş. and one or more other parties. Alarko Holding A.Ş. exercises such joint control through the power to exercise the voting rights relating to shares in the companies as a result of ownership interest directly and indirectly by itself. The Group's interest in jointly controlled entities is investments accounted by equity method, the Group's interest in joint operations is accounted by proportional consolidation method.
- (d) Associates are accounted for using the equity method, The Group has power to participate in the financial and operating policy decisions but not control them. Unrealised 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.
- (e) Available-for-sale financial assets in which the Group does not exercise a significant influence or which are immaterial and do not have quoted market prices in active markets and whose fair values can not be reliably measured, are carried at cost, less any accumulated impairment loss.
- (f) Shares of uncontrollable companies on all balances and transactions of/with the Subsidiaries in the notes to the consolidated financial statements are presented with the Total ownership interest of the Group in the non-controlling interest.

##### iii. Changes in accounting estimates and errors

Condensed consolidated financial position statements dated June 30, 2023 and December 31, 2022 and their notes and condensed consolidated profit and loss and other comprehensive income statements and condensed consolidated cash flow statements and condensed consolidated equity statements and their notes of the interim periods of six months ending on June 30, 2023 and June 30, 2022, are presented comparatively.

Alarko Group has applied its accounting policies consistently with the previous year. Significant changes in accounting policies and detected significant accounting errors are applied retrospectively and prior financial statements are rearranged. Amendments of accounting estimations are applied in current period that amendments are made, if the amendments are related to only one period, and if they are related to next periods, they are applied both in period that amendments are made and next period, prospectively.

##### iv. New and Revised Turkish Accounting Standards

The accounting policies used in the preparation of the condensed consolidated financial statements for the fiscal year ended 30 June 2023 have been applied consistently with those used in the previous year, except for the new and amended TFRS standards and TFRIC interpretations valid as of 1 January 2023, which are summarized below. The effects of these standards and interpretations on the financial position and performance of the Group are explained in the relevant paragraphs.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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## 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### iv. New and Revised Turkish Accounting Standards (continued)

#### i) New and revised standards effective from 1 January 2023

##### **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8**

Effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The implementation of the amendment did not have a significant impact on the consolidated financial statements of the Group.

##### **Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction**

Effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. The implementation of the amendment did not have a significant impact on the consolidated financial statements of the Group.

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

Some new standards, interpretations and amendments that have been published as of the reporting date but have not yet entered into force and are not early implemented by the Group, although early application is allowed, are as follows;

##### **Amendment of TAS 1, “Presentation of Financial Statements” standard regarding classification of liabilities**

The effective date has been postponed to the annual reporting periods beginning on or after 1 January 2024. These narrow-scope amendments to TAS 1, "Presentation of Financial Statements", explain that liabilities are classified as current or non-current, depending on the rights available at the end of the reporting period. The classification is not affected by subsequent events after the reporting date or by the expectations of the entity.( for example, obtaining a concession or breach of contract). The amendment also clarifies what “payment” of an obligation means in TAS 1.

##### **Long-Term Liabilities Containing Terms of Loan Agreements Amendments to TAS 1**

The International Accounting Standards Board (IASB) published the Long-Term Liabilities Containing Loan Agreement Terms in September 2022 in order to enable businesses to provide more useful information about their long-term obligations that include loan agreement terms, taking into account the impact of loan agreements on the presentation of payables. For a liability to be classified as long-term in accordance with TAS 1 Presentation of Financial Statements (TAS 1), an entity must have the right to defer payment of a liability for at least twelve months after the reporting period, and that right must exist at the end of the reporting period. However, in order to use the right of deferral, certain conditions may be stipulated in the loan agreement, such as meeting certain ratios in financial ratios or increasing criteria for financial performance. In this direction, with the amendment made in TAS 1, businesses are obliged to disclose the terms and conditions of the loan agreement and the conditions and conditions that indicate that the business may have difficulties in complying with the terms of the loan agreement in the footnote of the financial statements. Amendments to TAS 1 will be effective for annual reporting periods beginning on or after January 1, 2024.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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## 2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### iv. New and Revised Turkish Accounting Standards (continued)

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

#### Lease Obligation in Sale and Lease Back Transactions Amendments to TFRS 16

TFRS 16 Leases (TFRS 16) regulates the provisions on how the sale and leaseback transactions will be accounted for on the date of the transaction, but there is no regulation on how the next measurement of the lease liability arising from this transaction will be made. For this reason, the International Accounting Standards Board (IASB) made a narrow amendment to International Financial Reporting Standard 16 in September 2022, requiring that changes in lease liabilities arising from sales and leaseback transactions are measured without reflecting any gain or loss related to the right-of-use held has made it mandatory. Lease Obligation in the Sale and Lease Back Transaction will be effective for reporting periods beginning on or after 1 January 2024.

#### Annual Improvements

#### TFRS Annual improvements

TFRS 1 'First Application of Turkish Financial Reporting Standards' makes minor changes to the explanatory examples of TFRS 9 'Financial Instruments', TAS 41 'Agricultural Activities' and TFRS 16.

#### TFRS 1 First-time Adoption of International Financial Reporting Standards

This amendment simplifies the application of TFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts TFRS Standards later than its parent and applies TFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to TFRSs. This amendment will ease transition to TFRS Standards for subsidiaries applying this optional exemption by i) reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.

#### TFRS 9 Financial Instruments

This amendment clarifies that – for the purpose of performing the ‘‘10 per cent test’ for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf..

#### TAS 41 Agricultural Activities

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in TAS 41 with those in TFRS 13 Fair Value Measurement. The amendments provide the flexibility to use either, as appropriate, in line with TFRS 13.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the TMS 41.



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 3. BUSINESS COMBINATIONS

Goodwill amounts as of 30 June 2023 and 31 December 2022 are as follows (TL):

	30 June 2023	31 December 2022
Opening balance	3.130.507	3.130.507
Additions (*)	48.345.186	-
<b>Closing balance</b>	<b>51.475.693</b>	3.130.507

(\*) On March 16, 2023, Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. 10.441.789 TL from the purchase of shares (100%), 9.780.786 TL from the purchase of Palmira Agro Gübre Sanayi ve Ticaret A.Ş. shares (80%) on 8 May 2023 and On May 16, 2023, Antsan Tarım Sanayi ve Ticaret A.Ş. Goodwill of TL 28.122.611 was calculated from the purchase of shares (100%).

The business merger that took place during the accounting period from January 1 to January 30, 2023 is as follows;

Subsidiaries Alarko Tarım Sanayi ve Ticaret Anonim Şirketi; the field of activity of which is greenhouse farming based on geothermal energy for a price of 76.406.800 TL as of 16 March 2023 it has purchased all of the 17.425.000 shares (100%) with a nominal value of 17.425.000 TL of Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi. Due to the ongoing studies to determine the fair values of the identifiable assets and liabilities taken over in relation to this acquisition, the acquisition has been provisionally accounted for as of 30 June 2023. Pursuant to TFRS 3 "Business Combinations", the acquisition accounted for temporarily must be adjusted within 12 months following the merger date. As a result of the final recognition of the acquisition, it is possible that there will be adjustments in the recorded fair values of the identifiable assets and liabilities acquired and, accordingly, the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	2.444
Other receivables	151.101
Prepaid expenses	198.355
Property, plant and equipments	77.363.932
Intangible assets	608.261
Deferred tax asset	(12.359.082)
<b>Fair value of net assets</b>	<b>65.965.011</b>
Purchase price	76.406.800
Less : Fair value of net assets acquired	(65.965.011)
<b>Goodwill, 30 June 2023</b>	<b>10.441.789</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 3. BUSINESS COMBINATIONS (CONTINUED)

One of the subsidiaries Alarko Tarım Sanayi ve Ticaret A.Ş. at the meeting of the Board of Directors on 8 May 2023; Participating in the capital increase of Palmira Agro Gübre Sanayi ve Ticaret A.Ş, which operates in the field of micro granular fertilizer production and has 1.500.000 shares, each with a nominal value of 1 TL, in which the capital will increase from 1.500.000 TL to 7.500.000 TL with an emission premium. to acquire 6.000.000 shares with a nominal value of 6.000.000 TL, corresponding to 80% of the company's total capital, to be issued with a capital increase, for a total consideration of 60.000.000 TL, including emission premium of 54.000.000 TL, in this regard, a participation agreement and it was decided to sign the shareholders' agreement. Due to the ongoing studies to determine the fair values of the identifiable assets and liabilities taken over in relation to this acquisition, the acquisition has been provisionally accounted for as of 30 June 2023. Pursuant to TFRS 3 “Business Combinations”, the acquisition accounted for temporarily must be adjusted within 12 months following the merger date. As a result of the final accounting of the acquisition, it is possible that there will be adjustments in the recorded fair values of the identifiable assets and liabilities acquired and, accordingly, the recorded amount of goodwill.

	<b>Fair value (TL)</b>
Cash and cash equivalents	2.634.937
Trade receivables	17.941.416
Inventories	8.637.972
Prepaid expenses	52.261.296
Other current assets	592.416
Property, plant and equipments	1.650.888
Intangible assets	10.387
Deferred tax asset	187.228
Short term liabilities	(5.769.744)
Trade payables	(10.798.584)
Other payables	(63.126)
Current income tax liabilities	(1.227.666)
Long-term liabilities	(3.283.402)
<b>Fair value of net assets</b>	<b>62.774.018</b>
Purchase price	60.000.000
Ownership rate	%80
Less : Fair value of net assets acquired	(50.219.214)
<b>Goodwill, 30 June 2023</b>	<b>9.780.786</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 3. BUSINESS COMBINATIONS (CONTINUED)

Subsidiaries Alarko Tarım Sanayi ve Ticaret Anonim Şirketi; decided to purchase all of the 20 shares (100%) of Antsan Tarım Sanayi ve Ticaret Anonim Şirketi with a nominal value of 1.000.000 TL, the field of activity of which is greenhouse farming based on geothermal energy, as of 16 May 2023, for 1.780.000 USD equivalent in Turkish Lira. The ownership of the company in question has approximately 30.000 m<sup>2</sup> of standing greenhouse and approximately 73.500 m<sup>2</sup> of land suitable for geothermal greenhouse construction. Due to the ongoing studies to determine the fair values of the identifiable assets and liabilities taken over in relation to this acquisition, the acquisition has been provisionally accounted for as of 30 June 2023. Pursuant to TFRS 3 "Business Combinations", the acquisition accounted for temporarily must be adjusted within 12 months following the merger date. As a result of the final accounting of the acquisition, it is possible that there will be adjustments in the recorded fair values of the identifiable assets and liabilities acquired and, accordingly, the recorded amount of goodwill.

	<b>Fair value (TL)</b>
Cash and cash equivalents	7.963
Trade receivables	4.082.006
Other receivables	217.030
Inventories	1.378.090
Prepaid expenses	5.397.481
Other current assets	2.243.392
Property, plant and equipments	55.451.011
Short term liabilities	(3.142.856)
Trade payables	(34.623.174)
Other payables	(330.499)
Long-term liabilities	(18.857.144)
Deferred tax liabilities	(2.588.715)
<b>Fair value of net assets</b>	<b>9.234.585</b>
Purchase price	37.357.196
Less : Fair value of net assets acquired	(9.234.585)
<b>Goodwill, 30 June 2023</b>	<b>28.122.611</b>

The business merger that took place during the accounting period from January 1 to December 31, 2022 is as follows;

Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., the owner of the real estate at the address of Marksistskaya Sok., No.16, 109147 Moscow / Russian Federation, purchased for USD 8.000.000 from Alarko Holding A.Ş. 50% of the shares of Mosalarko OJSC company located in the Russian Federation, whose activity is only real estate. The purchase of the said share was registered in the Moscow Trade Registry of the Russian Federation on January 27, 2022. As a result of the merger, the control of Alarko Holding A.Ş. over Mosalarko OJSC has not changed and has been evaluated within the scope of the principle decision titled "Accounting for business combinations subject to joint control" published by POA. Business combinations under common control should be accounted for using the combination of rights method and goodwill should not be included in the financial statements.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 4. SEGMENT REPORTING

Alarko Groups' sectors are classified; tourism, industry and merchandising, energy and contracting/land development. Alyat Teknoloji Yatırımları Holding A.Ş. ve Alser Alarko Sermaye Yatırımları Holding A.Ş. to Holding sektors, Tarım bölümüne Alarko Tarım Sanayi ve Ticaret A.Ş., Palmira Agro Gübre Sanayi ve Ticaret A.Ş., Antsan Tarım Sanayi ve Ticaret A.Ş. ve Alsera Jeotermal Tarım Gıda San.Tic. A.Ş. to Agriculture sector is included. These fields of activity are taken as a basis while preparing the report according to the departments.

As of 30 June 2023, segment reporting is as follows (TL):

Assets	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination and classification	Total
<b>Current assets</b>								
Cash and cash equivalents	121.321.917	262.136.996	97.648.942	20.869.831	974.643.882	109.643.765	-	1.586.265.333
Financial investments	915.761.934	224.685.113	-	3.791.304.133	592.652.191	-	-	5.524.403.371
Trade receivables	40.765.614	29.597.317	6.286.276	68.631.194	5.004.655.624	238.889.791	(3.363.880.900)	2.024.944.916
Other receivables	135.392.930	2.001	-	1.619.010.918	213.766.017	5.784.898	(1.959.785.394)	14.171.370
Assets arising from customer contracts	-	340.386	-	-	59.604.532	-	-	59.944.918
Inventories	18.047	25.329.506	1.989.045	2.588.705	675.929.277	25.098.803	(775.410)	730.177.973
Prepaid expenses	48.938.961	20.302.950	136.576	6.748.502	338.114.848	74.034.085	-	488.275.922
Current income tax assets	1.217.792	485.694	-	818.734	35.313.575	11.299	-	37.847.094
Other current assets	9.044.453	18.435.872	245.609	25.904.725	218.938.167	10.588.175	-	283.157.001
Non-current assets held for sale	-	21.121	-	-	36.153.373	-	(3.232.711)	32.941.783
<b>Non-current assets</b>								
Financial investments	2.408.333.015	38.692	1.806.530	296.394.064	2.410.198.136	315.313.920	(3.953.846.137)	1.478.238.220
Trade receivables	-	-	-	-	126.693	-	-	126.693
Other receivables	68.983	277.759	-	9.547	73.725.176	10.000	-	74.091.465
Investments accounted for by equity method	2.542.485.530	-	383.176.171	12.765.881.216	1.915.677.153	-	(3.079.037.348)	14.528.182.722
Investment properties	289.250.000	-	3.890.000	126.798.379	5.370.097.915	-	(4.157.863.447)	1.632.172.847
Property, plant and equipment	6.901.898	116.902.072	-	204.469.286	327.455.772	204.376.395	736.427.086	1.596.532.509
Right of use assets	421.426	374.170.803	-	11.825.067	13.699.357	4.211.728	(294.824.179)	109.504.202
Intangible assets	358.605	838.773	-	70.476.835	71.593.991	9.008.605	14.385.905	166.662.714
Prepaid expenses	236.825	705.998	-	59.939	23.986.767	99.874.633	-	124.864.162
Deferred tax asset	-	403.106.974	-	633.808.129	282.364.087	5.994.340	(297.951.091)	1.027.322.439
Other non-current assets	19	555.651	-	-	123.380.189	-	-	123.935.859
<b>Total assets</b>	<b>6.520.517.949</b>	<b>1.477.933.678</b>	<b>495.179.149</b>	<b>19.645.599.204</b>	<b>18.762.076.722</b>	<b>1.102.840.437</b>	<b>(16.360.383.626)</b>	<b>31.643.763.513</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 4. SEGMENT REPORTING (CONTINUED)

As of 30 June 2023 segment reporting is as follows (TL):

Liabilities	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination and classification	Total
<b>Current liabilities</b>								
Short-term financial liabilities	432.929	33.550.611	-	2.592.222	2.402.411.552	212.592.447	(32.353.841)	2.619.225.920
Short-term portion of long-term financial liabilities	-	-	-	-	12.081.129	-	-	12.081.129
Trade payables	2.396.294	98.356.518	4.707.503	4.635.561	4.475.409.782	238.234.955	(3.503.790.726)	1.319.949.887
Payables related to employee benefits	4.254.263	18.262.590	36.622	1.334.430	25.284.037	4.560.601	-	53.732.543
Other payables	1.649.241.590	3.068.231	69.015	3.035.641.472	105.673.088	140.497.045	(1.819.934.996)	3.114.255.445
Liabilities arising from customer contracts	-	10.144.272	-	-	682.414.639	-	-	692.558.911
Deferred income (Except for obligations arising from customer contracts)	85.061.052	317.025.899	15.046.094	-	468.611.178	26	-	885.744.249
Current income tax liabilities	49.419.333	-	6.155.296	198.256.122	27.456.411	1.227.666	-	282.514.828
Short-term provisions	-	-	-	25.544.726	15.222.963	-	-	40.767.689
Other current liabilities	9.890	-	-	772.133.457	830.322	-	(772.969.009)	4.660
<b>Non-current liabilities</b>								
Long-term financial liabilities	59.012	1.695.443.223	-	10.329.900	115.931.655	25.181.623	(1.680.998.096)	165.947.317
Other payables	-	-	-	-	408.063.550	-	-	408.063.550
Liabilities arising from customer contracts	-	1.950.613	-	-	132.134.367	-	-	134.084.980
Investments accounted for by equity method liabilities	-	-	-	-	46.250.581	-	-	46.250.581
Deferred income (excluding obligations arising from customer contracts)	-	-	-	-	536.292.396	-	-	536.292.396
Long-term provisions	9.484.554	36.216.390	46.743	4.614.132	52.813.774	130.463	-	103.306.056
Deferred tax liabilities	102.909.969	-	305.309	35.769.179	100.760.871	-	13.698.687	253.444.015
<b>Equity</b>								
Paid-in share capital	735.000.000	20.907.067	3.994.119	321.761.219	412.966.145	146.084.610	(1.205.713.160)	435.000.000
Capital advance	-	-	-	-	-	187.399.760	(187.399.760)	-
Repurchased shares (-)	(338.703.225)	-	-	-	(31.666.211)	-	15.453.786	(354.915.650)
Cross shareholding adjustment	-	-	-	-	-	-	(1.535.883)	(1.535.883)
Premiums/discounts on shares	-	-	-	-	-	54.000.000	(54.000.000)	-
Actuarial gain / (loss) arising from defined benefit plans	(3.208.457)	(23.857.249)	(27.790.195)	(34.397.392)	(18.581.928)	39	238.639	(107.596.543)
Foreign currency translation differences	-	-	-	-	905.798.786	-	(119.922.058)	785.876.728
Gains / (losses) from financial assets at fair value through other comprehensive income	3.170.517.274	-	1.284.107	63.859.310	1.496.623.932	-	(4.730.782.038)	1.502.585
Restricted reserves	378.930.172	10.202.191	12.671	143.834.506	94.727.171	963.796	(249.740.335)	378.930.172
Dividend advances paid (-)	(304.500.000)	-	-	-	-	-	1.075.119	(303.424.881)
Retained earnings or accumulated losses	(135.606.823)	(520.203.440)	426.264.731	10.049.266.047	6.133.764.341	18.573.043	(2.218.397.209)	13.753.660.690
Net profit or loss for the period	1.114.820.122	(223.133.238)	65.047.134	5.010.424.313	160.802.191	73.394.363	(1.276.479.626)	4.924.875.259
Non-controlling interest	-	-	-	-	-	-	1.463.166.880	1.463.166.880
<b>Total liabilities</b>	<b>6.520.517.949</b>	<b>1.477.933.678</b>	<b>495.179.149</b>	<b>19.645.599.204</b>	<b>18.762.076.722</b>	<b>1.102.840.437</b>	<b>(16.360.383.626)</b>	<b>31.643.763.513</b>

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

### 4. SEGMENT REPORTING (CONTINUED)

As of 30 June 2023 segment reporting is as follows (TL):

	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination and classification	Total
Revenue (Outside the Group) (net)	41.202.887	313.746.898	122.267.861	234.555.838	2.471.625.473	30.212.639	(9.916.400)	3.203.695.196
Revenue (Within the Group)	64.872.592	-	-	3.284.562	41.219.926	797.107	(110.174.187)	-
Cost of sales (Outside the Group) (-)	(24.317.035)	(200.658.533)	(70.523.134)	(79.039.312)	(2.455.842.314)	(27.520.899)	(993.281)	(2.858.894.508)
Cost of sales (Within the Group) (-)	(69.415.977)	(9.303.586)	(833.798)	(3.710.233)	(7.091.644)	(797.107)	91.152.345	-
<b>Gross profit / (loss)</b>	<b>12.342.467</b>	<b>103.784.779</b>	<b>50.910.929</b>	<b>155.090.855</b>	<b>49.911.441</b>	<b>2.691.740</b>	<b>(29.931.523)</b>	<b>344.800.688</b>
General administrative expenses (-)	(19.486.810)	(60.680.142)	(143.612)	(18.298.317)	(171.114.321)	(11.723.957)	2.381.478	(279.065.681)
Marketing expenses (-)	-	(19.233.583)	(822.379)	-	-	(699.489)	32.700	(20.722.751)
Other income from operating activities	373.911.380	95.521.490	30.909.165	1.151.594.783	559.666.481	18.912.005	(156.709.915)	2.073.805.389
Other expenses from operating activities (-)	(113.949.675)	(12.740.634)	(8.210.793)	(282.407.578)	(249.412.188)	(28.114.136)	258.019.411	(436.815.593)
<b>Operating profit / (loss)</b>	<b>252.817.362</b>	<b>106.651.910</b>	<b>72.643.310</b>	<b>1.005.979.743</b>	<b>189.051.413</b>	<b>(18.933.837)</b>	<b>73.792.151</b>	<b>1.682.002.052</b>
Income from investing activities	958.790.916	36.013.043	2.649.775	482.011.677	192.321.178	94.305.540	(1.456.385.523)	309.706.606
Expenses from investing activities (-)	-	(22)	-	-	(8.205.503)	-	-	(8.205.525)
Share of profits/(losses) of investments accounted by equity method	-	-	5.406.596	3.541.258.036	(35.319.504)	-	(112.812.772)	3.398.532.356
<b>Operating profit/ (loss) before financial income / (expense)</b>	<b>1.211.608.278</b>	<b>142.664.931</b>	<b>80.699.681</b>	<b>5.029.249.456</b>	<b>337.847.584</b>	<b>75.371.703</b>	<b>(1.495.406.144)</b>	<b>5.382.035.489</b>
Financial income	-	-	-	-	22.900.000	-	-	22.900.000
Financial expenses (-)	(52.635)	(543.542.918)	(1.520.734)	(8.402.004)	(284.035.915)	(6.744.027)	498.986.355	(345.311.878)
<b>Profit / (loss) before tax from continued operations</b>	<b>1.211.555.643</b>	<b>(400.877.987)</b>	<b>79.178.947</b>	<b>5.020.847.452</b>	<b>76.711.669</b>	<b>68.627.676</b>	<b>(996.419.789)</b>	<b>5.059.623.611</b>
- Tax (expense) / income for the period	(49.419.342)	(8.096)	(14.155.546)	(199.497.100)	(21.997.062)	(1.227.666)	1.227.666	(285.077.146)
- Deferred tax (expense) / income	(47.316.179)	177.752.845	23.733	189.073.961	106.087.584	5.994.353	(119.467.714)	312.148.583
<b>Tax (expense) / income from continued operations</b>	<b>(96.735.521)</b>	<b>177.744.749</b>	<b>(14.131.813)</b>	<b>(10.423.139)</b>	<b>84.090.522</b>	<b>4.766.687</b>	<b>(118.240.048)</b>	<b>27.071.437</b>
Net profit / (loss) from continued operations	1.114.820.122	(223.133.238)	65.047.134	5.010.424.313	160.802.191	73.394.363	(1.114.659.837)	5.086.695.048
<b>Net income / (loss) for the period</b>	<b>1.114.820.122</b>	<b>(223.133.238)</b>	<b>65.047.134</b>	<b>5.010.424.313</b>	<b>160.802.191</b>	<b>73.394.363</b>	<b>(1.114.659.837)</b>	<b>5.086.695.048</b>
<b>Other comprehensive income not to be reclassified to profit or loss</b>								
- Actuarial gain / (loss) arising from defined benefit plans	(1.047.878)	(16.460.048)	(1.123)	(767.841)	(4.332.814)	52	-	(22.609.652)
- Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit or loss	-	-	(7.700.743)	(11,832.605)	2.465	-	-	(19.530.883)
- Deferred tax income for other comprehensive income not to be reclassified to profit or loss	262.122	4.115.012	1.925.467	3.150.106	1.082.819	(13)	-	10.535.513
<b>Other comprehensive income to be reclassified to profit or loss</b>	<b>262.122</b>	<b>4.115.012</b>	<b>1.925.467</b>	<b>3.150.106</b>	<b>1.082.819</b>	<b>(13)</b>	<b>-</b>	<b>10.535.513</b>
- Foreign currency translation differences	-	-	-	-	(77.955.098)	-	-	(77.955.098)
- Other comprehensive income/(expense) for financial assets at fair value difference is through other comprehensive income	-	-	-	-	50.983	-	-	50.983
- Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss	-	-	-	-	444.446.737	-	-	444.446.737
<b>Total comprehensive income/ (expense)</b>	<b>1.114.034.366</b>	<b>(235.478.274)</b>	<b>59.270.735</b>	<b>5.000.973.973</b>	<b>524.097.283</b>	<b>73.394.402</b>	<b>(1.114.659.837)</b>	<b>5.421.632.648</b>
Distribution of profit / (loss) for the period	-	-	-	-	-	-	161.819.789	161.819.789
- Non-controlling interest	-	-	-	-	-	-	-	-
- Parent company shares	1.114.820.122	(223.133.238)	65.047.134	5.010.424.313	160.802.191	73.394.363	(1.276.479.626)	4.924.875.259
Distribution of total comprehensive income/ (expense)	-	-	-	-	-	-	187.206.071	187.206.071
- Non-controlling interest	-	-	-	-	-	-	-	-
- Parent company shares	1.114.034.366	(235.478.274)	59.270.735	5.000.973.973	524.097.283	73.394.402	(1.301.865.908)	5.234.426.577

## ALARKO HOLDING A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 4. SEGMENT REPORTING (CONTINUED)

As of 31 December 2022, segment reporting is as follows (TL)

Assets	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Elimination and classification	Total
<b>Current assets</b>							
Cash and cash equivalents	2.039.751.089	291.146.903	68.066.803	1.157.637.733	1.532.376.919	-	5.088.979.447
Financial investments	185.659.835	41.088.188	-	442.672.779	51.901.357	-	721.322.159
Trade receivables	24.249.572	3.325.917	18.602.621	54.902.060	3.720.721.423	(2.195.843.829)	1.625.957.764
Other receivables	156.944	2.001	17.739	2.385.776.669	163.620.600	(2.538.974.278)	10.599.675
Assets arising from customer contracts	-	-	-	-	14.810.904	-	14.810.904
Derivative financial instruments	-	-	-	6.380.266	-	-	6.380.266
Inventories	19.522	9.721.893	2.564.914	2.491.844	570.810.002	(105.656)	585.502.519
Prepaid expenses	520.282	2.502.597	5.108	2.622.594	369.598.284	-	375.248.865
Current income tax assets	5.459.795	3.624.927	-	1.237.745	39.637.447	-	49.959.914
Other current assets	8.092.375	17.722.195	-	435.774.048	245.477.084	(612.412.062)	94.653.640
Non-current assets held for sale	-	29.304	-	-	26.276.162	(3.256.909)	23.048.557
<b>Non-current assets</b>							
Financial investments	1.619.486.191	38.692	2.222.568	125.782.676	2.994.185.076	(3.961.590.813)	780.124.390
Trade receivables	-	-	-	-	89.707	-	89.707
Other receivables	68.983	282.954	-	9.547	66.915.427	-	67.276.911
Investments accounted for by equity method	3.142.104.637	-	422.349.982	10.384.389.210	1.203.071.459	(3.411.985.677)	11.739.929.611
Investment properties	289.250.000	-	3.890.000	126.798.379	5.114.979.871	(3.964.729.298)	1.570.188.952
Property, plant and equipment	6.948.849	96.805.089	-	200.913.045	159.710.189	491.410.819	955.787.991
Right of use assets	589.990	375.427.815	-	12.120.183	14.582.468	(309.974.077)	92.746.379
Intangible assets	201.320	878.695	-	71.295.786	62.658.267	(33.954.659)	101.079.409
Prepaid expenses	297.843	943.891	-	75.014	19.598.813	-	20.915.561
Deferred tax asset	785.107	221.239.117	-	432.430.102	147.229.095	(177.421.495)	624.261.926
Other non-current assets	19	551.243	-	-	124.014.898	-	124.566.160
<b>Total assets</b>	<b>7.323.642.353</b>	<b>1.065.331.421</b>	<b>517.719.735</b>	<b>15.843.309.680</b>	<b>16.642.265.452</b>	<b>(16.718.837.934)</b>	<b>24.673.430.707</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 4. SEGMENT REPORTING (CONTINUED)

As of 31 December 2022, segment reporting is as follows (TL) :

Liabilities	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Elimination and classification	Total
<b>Current liabilities</b>							
Short-term financial liabilities	433.327	1.152.839	-	2.907.925	1.508.441.164	-	1.512.935.255
Short-term portion of long-term financial liabilities	-	-	-	29.030.286	11.901.067	-	40.931.353
Trade payables	3.130.655	166.892.140	8.579.940	4.588.948	3.240.028.641	(2.354.683.759)	1.068.536.565
Payables related to employee benefits	1.989.875	7.205.413	43.594	551.969	25.914.736	-	35.705.587
Other payables	1.990.811.050	923.914	2.403.171	3.107.726.729	658.853.407	(2.564.186.338)	3.196.531.933
Liabilities arising from customer contracts	-	6.426.538	-	-	797.787.798	-	804.214.336
Deferred income (Except for obligations arising from customer contracts)	-	37.020.426	51.777.958	-	615.748.593	-	704.546.977
Current income tax liabilities	-	2.247.863	5.777.254	47.170.358	12.508.113	-	67.703.588
Short-term provisions	-	-	-	24.520.067	14.698.879	-	39.218.946
Other current liabilities	382.756.118	40.481	-	3.686	45.794.279	(428.591.496)	3.068
<b>Non-current liabilities</b>							
Long-term financial liabilities	225.459	1.260.356.604	-	11.485.207	116.710.040	(1.248.039.336)	140.737.974
Other payables	-	-	-	-	287.214.621	-	287.214.621
Liability arising from customer contracts	-	33.607	-	-	101.408.355	-	101.441.962
Investments accounted for by equity method liabilities	-	-	-	-	43.863.639	-	43.863.639
Deferred income (Except for obligations arising from customer contracts)	-	-	-	-	139.578.031	-	139.578.031
Long-term provisions	6.851.367	23.887.988	19.690	3.777.935	43.943.321	-	78.480.301
Deferred tax liability	56.641.629	-	329.323	23.657.073	79.411.711	-	160.039.736
<b>Equity</b>							
Paid-in share capital	634.000.000	9.657.067	3.994.119	321.761.219	321.450.755	(855.863.160)	435.000.000
Repurchased shares (-)	(131.780.306)	-	-	-	(30.338.786)	14.805.976	(147.313.116)
Cross shareholding adjustment	-	-	-	-	-	(1.535.883)	(1.535.883)
Actuarial gain / (loss) arising from defined benefit plans	(2.422.701)	(11.512.210)	(22.013.794)	(24.947.059)	(15.334.396)	224.893	(76.005.267)
Foreign currency translation differences	-	-	-	-	539.307.147	(94.521.984)	444.785.163
Gains / (losses) from financial assets at fair value through other comprehensive income	3.994.132.531	-	1.726.227	79.386.016	1.981.291.152	(6.055.084.370)	1.451.556
Restricted reserves	165.282.802	3.153.441	12.671	4.000.025	75.172.673	(82.338.810)	165.282.802
Retained earnings or accumulated losses	(63.422.031)	(312.735.016)	193.108.775	890.544.468	3.167.683.205	(1.205.613.098)	2.669.566.303
Net profit or loss for the period	285.012.578	(129.419.674)	271.960.807	11.317.144.828	2.859.227.307	(3.163.140.931)	11.440.784.915
Non-controlling interest	-	-	-	-	-	1.319.730.362	1.319.730.362
<b>Total liabilities</b>	<b>7.323.642.353</b>	<b>1.065.331.421</b>	<b>517.719.735</b>	<b>15.843.309.680</b>	<b>16.642.265.452</b>	<b>(16.718.837.934)</b>	<b>24.673.430.707</b>



# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

### 4. SEGMENT REPORTING (CONTINUED)

As of 30 June 2022, segment reporting is as follows (TL) :

	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Elimination and classification	Total
Revenue (Outside the Group) (net)	9.307.301	177.468.129	53.303	713.190.706	1.837.374.432	-	2.737.393.871
Revenue (Within the Group)	16.152.278	-	-	241.927.586	26.520.020	(284.599.884)	-
Cost of sales (Outside the Group) (-)	(4.449.756)	(112.520.313)	(24.075)	(298.497.714)	(1.671.685.952)	(5.458.758)	(2.092.636.568)
Cost of sales (Within the Group) (-)	(19.257.314)	(3.816.136)	-	(355.746.529)	(8.476.539)	387.296.518	-
<b>Gross profit / (loss)</b>	<b>1.752.509</b>	<b>61.131.680</b>	<b>29.228</b>	<b>300.874.049</b>	<b>183.731.961</b>	<b>97.237.876</b>	<b>644.757.303</b>
General administrative expenses (-)	(6.979.375)	(23.529.158)	(36.947)	(7.305.817)	(117.903.188)	22.172.829	(133.581.656)
Marketing expenses (-)	-	(10.604.870)	(502)	-	-	-	(10.605.372)
Other income from operating activities	27.087.638	28.176.019	44.933	47.268.417	463.240.534	(19.346.913)	546.470.628
Other expenses from operating activities (-)	(3.704.179)	(12.383.992)	-	(10.869.669)	(351.850.083)	10.299.076	(368.508.847)
<b>Operating profit / (loss)</b>	<b>18.156.593</b>	<b>42.789.679</b>	<b>36.712</b>	<b>329.966.980</b>	<b>177.219.224</b>	<b>110.362.868</b>	<b>678.532.056</b>
Income from investing activities	139.539.805	5.375.341	45.431	880.342.001	48.860.669	(1.042.440.637)	31.722.610
Expenses from investing activities (-)	-	-	-	(8.178)	(107.818)	-	(115.996)
Share of profits/ (losses) of investments accounted by equity method	-	-	74.403.399	2.740.823.359	38.940.245	(133.548.316)	2.720.618.687
<b>Operating profit/ (loss) before financial income / (expense)</b>	<b>157.696.398</b>	<b>48.165.020</b>	<b>74.485.542</b>	<b>3.951.124.162</b>	<b>264.912.320</b>	<b>(1.065.626.085)</b>	<b>3.430.757.357</b>
Financial expenses (-)	(81.218)	(252.478.037)	(198)	(5.737.964)	(6.581.398)	240.009.912	(24.868.903)
<b>Profit / (loss) before tax from continued operations</b>	<b>157.615.180</b>	<b>(204.313.017)</b>	<b>74.485.344</b>	<b>3.945.386.198</b>	<b>258.330.922</b>	<b>(825.616.173)</b>	<b>3.405.888.454</b>
- Tax (expense) / income for the period	(17.286.265)	1.249.354	(15.287)	(2.862.384)	(21.231.200)	-	(40.145.782)
- Deferred tax (expense) / income	(421.185)	64.734.778	(395)	(6.260.219)	(29.058.953)	(44.915.557)	(15.921.531)
<b>Tax (expense) / income from continued operations</b>	<b>(17.707.450)</b>	<b>65.984.132</b>	<b>(15.682)</b>	<b>(9.122.603)</b>	<b>(50.290.153)</b>	<b>(44.915.557)</b>	<b>(56.067.313)</b>
Net profit / (loss) from continued operations	139.907.730	(138.328.885)	74.469.662	3.936.263.595	208.040.769	(870.531.730)	3.349.821.141
<b>Net income / (loss) for the period</b>	<b>139.907.730</b>	<b>(138.328.885)</b>	<b>74.469.662</b>	<b>3.936.263.595</b>	<b>208.040.769</b>	<b>(870.531.730)</b>	<b>3.349.821.141</b>
<b>Other comprehensive income not to be reclassified to profit or loss</b>							
- Actuarial gain / (loss) arising from defined benefit plans	(751.575)	(2.685.591)	-	(108.474)	(3.963.222)	-	(7.508.862)
- Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit or loss	-	-	(5.050.536)	(4.728.509)	(1.460)	-	(9.780.505)
- Deferred tax income for other comprehensive income not to be reclassified to profit or loss	150.315	537.118	1.010.107	967.397	776.089	-	3.441.026
<b>Other comprehensive income to be reclassified to profit or loss</b>							
- Foreign currency translation differences	-	-	-	-	144.895.182	-	144.895.182
- Other comprehensive income/(expense) for financial assets at fair value difference is through other comprehensive income	-	-	-	-	259.545	-	259.545
- Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss	-	-	-	-	27.073.925	-	27.073.925
<b>Total comprehensive income/ (expense)</b>	<b>139.306.470</b>	<b>(140.477.358)</b>	<b>70.429.233</b>	<b>3.932.394.009</b>	<b>377.080.828</b>	<b>(870.531.730)</b>	<b>3.508.201.452</b>
Distribution of profit / (loss) for the period							
- Non-controlling interest	-	-	-	-	-	84.919.178	84.919.178
- Parent company shares	139.907.730	(138.328.885)	74.469.662	3.936.263.595	208.040.769	(955.450.908)	3.264.901.963
Distribution of total comprehensive income/ (expense)							
- Non-controlling interest	-	-	-	-	-	152.351.061	152.351.061
- Parent company shares	139.306.470	(140.477.358)	70.429.233	3.932.394.009	377.080.828	(1.022.882.791)	3.355.850.391

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 4. SEGMENT REPORTING (CONTINUED)

Distribution of depreciation and retirement pay liability expenses stated by segment in the consolidated statement of profit or loss and other comprehensive income for the six months period ended 30 June 2023 is as follows (TL):

	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination	Total
Right of use assets	168.564	4.527.596	-	295.116	2.074.748	145.232	(3.869.741)	3.341.515
Property, plant and equipment	848.897	6.962.154	-	8.216.512	32.890.368	3.320.535	-	52.238.466
Intangible assets	35.324	182.330	-	856.816	1.104.815	56.541	-	2.235.826
Current period depreciation expenses	1.052.785	11.672.080	-	9.368.444	36.069.931	3.522.308	(3.869.741)	57.815.807
Provision no longer required for termination indemnity	(1.270.386)	(10.964.250)	-	(916.438)	(10.183.586)	(5)	-	(23.334.665)
Current period termination indemnity expense	655.421	4.662.017	12.281	566.234	5.409.144	3.672	-	11.308.769
Total termination indemnity expense for the period	(614.965)	(6.302.233)	12.281	(350.204)	(4.774.442)	3.667	-	(12.025.896)

Distribution of depreciation and retirement pay liability expenses stated by segment in the consolidated statement of profit or loss and other comprehensive income for the six months period ended 30 June 2022 is as follows (TL):

	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Elimination	Total
Right of use assets	168.564	4.269.010	-	146.022	2.187.311	(3.955.416)	2.815.491
Property, plant and equipment	180.730	4.995.713	-	8.167.942	21.319.157	-	34.663.542
Intangible assets	14.970	387.398	-	855.008	446.367	-	1.703.743
Current period depreciation expenses	364.264	9.652.121	-	9.168.972	23.952.835	(3.955.416)	39.182.776
Provision no longer required for termination indemnity	-	(755.860)	-	(56.927)	(8.521.153)	-	(9.333.940)
Current period termination indemnity expense	467.519	2.243.730	-	285.045	10.963.455	-	13.959.749
Total termination indemnity expense for the period	467.519	1.487.870	-	228.118	2.442.302	-	4.625.809

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following (TL) :

	30 June 2023	31 December 2022
Cash	761.140	283.485
Checks received	2.500.000	420.000
Banks	1.420.905.687	4.999.499.460
- TL demand deposits	113.827.663	106.667.647
- foreign currency demand deposits	578.505.606	205.049.005
- TL time deposit	138.481.844	32.917.761
- foreign currency time deposit	590.090.574	4.654.865.047
Other liquid assets	100	100
Investment funds (*)	162.098.406	88.776.402
<b>Total</b>	<b>1.586.265.333</b>	<b>5.088.979.447</b>

As of 30 June 2023 , the interest rates applied to time deposits are 12,00%– 40,00% for TL deposits (31 December 2022 - 10,00%- 23,00%); 0,01%-3,00% for Euro deposits (31 December 2022 - 1,35%-3,25%); 2,00% – 4,75% for deposits denominated in USD (31 December 2022 - 0,03% - 4,25%); 1,25%- 3,00% (31 December 2022 –0,25%) for GBP deposits (31 December 2022 – None.) and not available for RON deposits (31 December 2022 –4,80%-8,40%).

TL 3.962.654 consists of blocked deposit loans and has been classified to demand account since it is shorter than 3 months (31 December 2022 – 492.844 TL).

(\*) Consists of Type B liquid investment funds as of 30 June 2023 and 31 December 2022.

#### 6. FINANCIAL INVESTMENTS

Short term financial investments consist of the following (TL) :

	30 June 2023	31 December 2022
Financial assets at fair value through profit / (loss)		
- Investment funds (*)	231.324.386	189.065.460
- Value increase in marketable securities	56.286.136	42.258.926
- Public sector notes, promissory notes and bonds (**)	75.181.618	20.359.354
- Currency protected deposit account	586.686.728	452.388.489
- Foreign currency government debt securities (***)	4.144.420.786	-
Financial assets at amortized cost		
- Public sector notes, promissory notes and bonds (**)	430.503.717	17.249.930
<b>Total</b>	<b>5.524.403.371</b>	<b>721.322.159</b>

(\*) As of 30 June 2023 and 31 December 2022, financial assets at fair value through profit / (loss) consist of Type A investments funds.

(\*\*) As of the 30 June 2023 public sector notes, promissory notes and bonds interest rate is 3,18%, 4,75%, 2,38% and 2,88% (31 December 2022 - 3,18% and 2,88%).

(\*\*\*) As of 30 June 2023, the interest rate of government debt securities is 3,74%.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 6. FINANCIAL INVESTMENTS (CONTINUED)

Long term financial assets consist of the following (TL):

	30 June 2023		31 December 2022	
	Participaton rate %	Participation amount	Participation rate %	Participation amount
Financial assets at fair value through other comprehensive income				
-TSKB A.Ş.	< %1	2.071.727	< %1	2.020.745
Financial assets at fair value through profit / (loss)				
- Public sector notes, promissory notes and bonds (*)		1.138.206.731		304.107.832
- Investments in foreign companies		261.860.145		181.472.828
- Barr Operation and Maintenance LLP (**)		230.617		230.617
- Affiliate advance (***)		75.869.000		-
Financial assets at amortized cost				
- Public sector notes, promissory notes and bonds (*)		-		292.292.368
<b>Total</b>		<b>1.478.238.220</b>		<b>780.124.390</b>

(\*) As of the 30 June 2023 public sector notes, promissory notes and bonds interest rate is 3,18%, 4,75%, 2,38% and 2,88% (31 December 2022 - 3,18% and 2,88%).

(\*\*) It is not included in the consolidation as it has no operations as of 30 June 2023.

(\*\*\*) Subsidiaries Alarko Tarım Sanayi ve Ticaret A.Ş. at the meeting of the Board of Directors dated March 3, 2023; It has been decided to purchase 400.000 shares of Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret Anonim Şirketi with a nominal value of 400.000 TL for 75.468.000 TL. As of 30 June 2023, the share transfer process has not been completed and it is the amount paid in advance.

#### 7. FINANCIAL LIABILITIES

Short-term financial liabilities consist of the following (TL) :

	30 June 2023	31 December 2022
Short-term financial liabilities	2.611.872.315	1.499.234.298
Short-term lease obligations	7.353.605	13.700.957
Short-term parts of long term borrowings	12.081.129	40.931.353
<b>Total</b>	<b>2.631.307.049</b>	<b>1.553.866.608</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 7. FINANCIAL LIABILITIES (CONTINUED)

Long-term financial liabilities are as follows (TL) :

	30 June 2023	31 December 2022
Long-term financial liabilities	135.371.831	113.445.877
Long-term lease obligations	30.575.486	27.292.097
<b>Total</b>	<b>165.947.317</b>	<b>140.737.974</b>

As of 30 June 2023 and 31 December 2022, the distribution of short and long term financial liabilities according to their maturities are as follows (TL):

	Bank loans 30 June 2023(TL)	Leases 30 June 2023(TL)	Bank loans 31 December 2022(TL)	Leases 31 December 2022(TL)
Within 1 year	2.623.953.444	7.353.605	1.540.165.651	13.700.957
Within 1 – 2 years	26.392.599	5.687.565	13.935.941	4.991.109
Within 2 – 3 years	23.232.720	4.882.747	20.684.330	3.855.190
Within 3 – 4 years	20.279.243	3.850.243	17.675.667	3.375.402
4 years and longer	65.467.269	16.154.931	61.149.939	15.070.396
<b>Total</b>	<b>2.759.325.275</b>	<b>37.929.091</b>	<b>1.653.611.528</b>	<b>40.993.054</b>

#### 8. TRADE RECEIVABLES AND PAYABLES

Short term trade receivables consist of the following (TL) :

	30 June 2023	31 December 2022
Customers	1.573.800.929	1.290.888.061
Rediscount on receivables (-)	(6.672.464)	(1.947.810)
Other short term receivables	439.609.214	324.953.729
Doubtful trade receivables	5.633.778	4.321.423
Provision for doubtful trade receivables (-)	(5.633.778)	(4.321.423)
<b>Total</b>	<b>2.006.737.679</b>	<b>1.613.893.980</b>
Trade receivables from related parties	18.207.237	12.063.784
<b>Total trade receivables from related parties (Note 28)</b>	<b>18.207.237</b>	<b>12.063.784</b>
<b>Grand Total</b>	<b>2.024.944.916</b>	<b>1.625.957.764</b>

## ALARKO HOLDING A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 8. TRADE RECEIVABLES AND PAYABLES (CONTINUED)

Long term trade receivables consist of the following (TL) :

	30 June 2023	31 December 2022
Customers	126.693	89.707
<b>Total</b>	<b>126.693</b>	<b>89.707</b>

Changes in provision for doubtful trade receivables are set out in the table below (TL):

	30 June 2023	30 June 2022
Opening balance	4.321.423	10.626.853
Expense for the current period	421.154	54.823
Collections / provisions no longer required	(11.543)	(355)
Currency translation difference	902.744	193.220
<b>Closing balance</b>	<b>5.633.778</b>	<b>10.874.541</b>

Short term trade payables consist of the following (TL) :

	30 June 2023	31 December 2022
Suppliers	1.284.413.236	1.062.682.723
Rediscount for payables (-)	(1.551.830)	(1.435.534)
Other trade payables	27.421.983	3.897.431
<b>Total</b>	<b>1.310.283.389</b>	<b>1.065.144.620</b>
Trade payables to related parties	9.666.498	3.391.945
<b>Total trade payables to related parties (Note 28)</b>	<b>9.666.498</b>	<b>3.391.945</b>
<b>Grand Total</b>	<b>1.319.949.887</b>	<b>1.068.536.565</b>

#### 9. INVENTORIES

Inventories consist of the following (TL) :

	30 June 2023	31 December 2022
Raw materials and supplies	632.348.114	497.292.457
Semi products	1.378.090	-
Merchandise (*)	96.455.658	88.213.951
Other inventories	1.270	1.270
Inventory impairment provision (-)	(5.159)	(5.159)
<b>Total</b>	<b>730.177.973</b>	<b>585.502.519</b>

(\*) TL 96.455.658 (31 December 2022 – TL 85.359.735) part of merchandise balance, having a total amount of TL 85.359.735 (31 December 2022 – TL 88.213.951) as of 30 June 2023, consists of real estates.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 10. PREPAID EXPENSES

Short-term prepaid expenses consist of the following (TL):

	30 June 2023	31 December 2022
Advances given	176.574.684	156.549.088
Advances given to sub-contractors	181.374.645	175.491.227
Prepaid expenses	130.326.593	43.208.550
<b>Total</b>	<b>488.275.922</b>	<b>375.248.865</b>

Long-term prepaid expenses consist of the following (TL):

	30 June 2023	31 December 2022
Advances given	96.652.719	6.518.410
Prepaid expenses	28.211.443	14.397.151
<b>Total</b>	<b>124.864.162</b>	<b>20.915.561</b>

#### 11. ASSETS AND LIABILITIES ARISING FROM CUSTOMER CONTRACTS

Costs and estimated earnings related to on-going constructions and commitments are as follows (TL):

	30 June 2023	31 December 2022
Costs related to on-going constructions	15.970.166.477	11.033.879.509
Estimated earnings	1.199.723.261	692.178.322
Less: Total invoiced progress payment for the end of period	(17.660.565.478)	(12.187.908.268)
<b>Total</b>	<b>(490.675.740)</b>	<b>(461.850.437)</b>

Net balance reclassified enclosed in the accompanying consolidated statements of financial position is as follows (TL):

	30 June 2023	31 December 2022
Receivables from on-going constructions	59.604.532	14.810.904
Progress payments from on-going constructions contracts	(550.280.272)	(476.661.341)
<b>Total</b>	<b>(490.675.740)</b>	<b>(461.850.437)</b>

Total amount of short and long term advances received by the subsidiaries of the Group related to on-going constructions contracts is TL 1.004.428.917 as of 30 June 2023 (31 December 2022 – TL755.237.857) and aforementioned amounts is recognized under deferred income account.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 11. ASSETS AND LIABILITIES ARISING FROM CUSTOMER CONTRACTS (CONTINUED)

Assets arising from short-term customer contracts are as follows (TL):

	30 June 2023	31 December 2022
Contractual assets arising from ongoing construction and contracting works	59.604.532	14.810.904
Contract assets arising from sales of goods and services	340.386	-
<b>Total</b>	<b>59.944.918</b>	<b>14.810.904</b>

Liabilities arising from short-term customer contracts are as follows (TL):

	30 June 2023	31 December 2022
Progress payments for ongoing construction contracts	550.280.272	476.661.341
Payables arising from ongoing construction and contracting works	132.134.367	321.126.457
Contract liabilities arising from sales of goods and services	10.144.272	6.426.538
<b>Total</b>	<b>692.558.911</b>	<b>804.214.336</b>

Liabilities arising from long-term customer contracts are as follows (TL):

	30 June 2023	31 December 2022
Payables arising from ongoing construction and contracting works	132.134.367	101.408.355
Contract liabilities arising from sales of goods and services	1.950.613	33.607
<b>Total</b>	<b>134.084.980</b>	<b>101.441.962</b>



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 12. DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 June 2023 and 31 December 2022, the details of short-term derivative liabilities are as follows;

				<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>Contract amount</b>	<b>Currency type</b>	<b>Maturity Date</b>	<b>Fair value asset amount (TL)</b>	<b>Fair value asset amount (TL)</b>
Forward	119.310.000	TL	31.05.2023	-	6.380.266
<b>Total</b>				<b>-</b>	<b>6.380.266</b>

#### 13. DEFERRED INCOME (EXCLUDING LIABILITIES FROM CUSTOMER CONTRACTS)

Short-term deferred income consist of the following (TL):

	<b>30 June 2023</b>	<b>31 December 2022</b>
Advances received from commitment works	<b>468.136.521</b>	615.659.826
Advances received	<b>417.133.071</b>	86.257.163
Deferred income related to following months	<b>474.657</b>	2.629.988
<b>Total</b>	<b>885.744.249</b>	<b>704.546.977</b>

Long-term deferred income consist of the following (TL):

	<b>30 June 2023</b>	<b>31 December 2022</b>
Advances received from commitment works	<b>536.292.396</b>	139.578.031
<b>Total</b>	<b>536.292.396</b>	<b>139.578.031</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 14. INVESTMENTS ACCOUNTED BY USING EQUITY METHOD

Investments accounted by equity method assets consist of the following (TL):

	Partnership rate%	30 June 2023 Partnership Amount	Partnership rate%	31 December 2022 Partnership amount
Alarko Carrier Sanayi ve Ticaret A.Ş.	43,12	383.170.533	43,12	422.344.344
Bakad International B.V. (*)	33,27	1.497.513.592	33,27	1.076.740.319
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Spain)	44,96	54.243.621	44,96	44.543.050
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (**)	49,96	12.592.857.817	49,96	10.195.839.102
Al-Riva Arazi Değ. Konut İnş. Turistik Tes.Golf İşl. ve Tic. A.Ş. (***)	2,28	397.159	2,28	462.796
<b>Total</b>		<b>14.528.182.722</b>		<b>11.739.929.611</b>

Investments accounted by equity method liabilities consist of the following (TL):

	Partnership rate%	30 June 2023 Partnership Amount	Partnership rate %	31 December 2022 Partnership amount
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Turkey)	45,00	25.401.834	45,00	25.395.931
Alarko – Makyol Adi Ortaklığı	49,95	1.181.495	49,95	1.123.928
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (***)	2,63	2.967.611	2,63	2.702.093
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (***)	12,13	16.699.641	12,13	14.641.687
<b>Total</b>		<b>46.250.581</b>		<b>43.863.639</b>
<b>Net</b>		<b>14.481.932.141</b>		<b>11.696.065.972</b>

(\*) Since Bakad International B.V. owns the %100 shares of Bakad Investment & Operation LLP these entities are included in the carried investment amount in consolidated financial statements.

(\*\*) Since Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş., owns the 100% shares of Meram Elektrik Dağıtım A.Ş., Cenal Elektrik Üretim A.Ş., Algiz Enerji A.Ş., Panel Enerji A.Ş., and 99,99% shares of Meram Elektrik Perakende Satış A.Ş., and 99,60% of Meram Elektrik Enerjisi Toptan Satış A.Ş., these entities are included in the carried investment amount in consolidated financial statements.

(\*\*\*) The shareholding and controlling rate of the Parent Company in these affiliates is 40%

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 14. INVESTMENTS ACCOUNTED BY USING EQUITY METHOD (CONTINUED)

Changes in investment accounted by using the equity method are as follows (TL):

	30 June 2023	30 June 2022
Opening balance	11.696.065.972	2.432.761.962
Net profit / (loss) for the period	3.511.345.128	2.854.167.003
Dividends received	(1.174.091.527)	(205.341.365)
Other comprehensive income	429.798.573	19.249.526
Capital increase	18.813.995	150.438.775
<b>Closing balance</b>	<b>14.481.932.141</b>	<b>5.251.275.901</b>

Shares of profit / loss of investments accounted by using equity method are as follows (TL) :

	30 June 2023 before Elimination	Elimination	30 June 2023	30 June 2022 before Elimination	Elimination	30 June 2022
Alarko Carrier Sanayi ve Ticaret A.Ş.	5.406.596	(900.460)	4.506.136	74.403.399	269.273	74.672.672
Obrascon Huarte Lain SA – Alsım Alarko San.Tes.ve Ticaret A.Ş. (Spain)	-	-	-	-	-	-
Obrascon Huarte Lain SA – Alsım Alarko San.Tes.ve Ticaret A.Ş. (Turkey)	(5.902)	-	(5.902)	983	-	983
Bakad International B.V. (*)	(32.786.889)	-	(32.786.889)	41.562.204	-	41.562.204
Alarko – Makyol Adi Ortaklığı	(135.754)	-	(135.754)	(45.846)	-	(45.846)
Doğuş-Alarko-YDA İnş. Adi Ortaklığı	-	-	-	8.932	-	8.932
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (**)	3.541.258.036	(113.984.296)	3.427.273.740	2.740.823.359	(136.266.785)	2.604.556.574
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (***)	(2.059.802)	1.752.880	(306.922)	(2.185.165)	2.053.489	(131.676)
Al-Riva Arazi Değ. Konut İnş.Turistik Tes.Golf İşl. ve Tic. A.Ş. (***)	(65.638)	60.709	(4.929)	(76.856)	74.878	(1.978)
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (***)	(265.519)	258.395	(7.124)	(324.007)	320.829	(3.178)
<b>Total</b>	<b>3.511.345.128</b>	<b>(112.812.772)</b>	<b>3.398.532.356</b>	<b>2.854.167.003</b>	<b>(133.548.316)</b>	<b>2.720.618.687</b>

(\*) Since Bakad International B.V. owns the %100 shares of Bakad Investment & Operation LLP these entities are included in the carried investment amount in consolidated financial statements.

(\*\*) Since Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş., owns the 100% shares of Meram Elektrik Dağıtım A.Ş., Cenal Elektrik Üretim A.Ş., Algiz Enerji A.Ş., Panel Enerji A.Ş., and 99,99% shares of Meram Elektrik Perakende Satış A.Ş. and 99,60% of Meram Elektrik Enerjisi Toptan Satış A.Ş., these entities are included in the carried investment amount in consolidated financial statements.

(\*\*\*) The shareholding and controlling rate of the Parent Company in these affiliates is 40%

Investments accounted by using equity method financial statement summary consist of the following (TL):

	30 June 2023		31 December 2022	
	Total Assests	Total Liabilities	Total Assests	Total Liabilities
Alarko Carrier Sanayi ve Ticaret A.Ş.	2.860.534.525	1.919.164.117	2.214.747.552	1.182.521.413
Obrascon Huarte Lain SA – Alsım Alarko San.Tes.ve Ticaret A.Ş.(Spain)	1.281.689.632	455.404.356	907.521.299	322.455.373
Obrascon Huarte Lain SA – Alsım Alarko San.Tes.ve Ticaret A.Ş.(Turkey)	6.542	56.455.061	22.379	56.457.782
Alarko – Makyol Adi Ortaklığı	624.098	2.835.075	500.944	2.596.691
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş.	37.540.414.260	12.331.670.860	34.076.960.786	13.665.701.074
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş.	50.297.004	61.851.980	49.437.925	55.858.631
Al-Riva Arazi Değ. Konut İnş.Turistik Tes.Golf İşl. ve Tic. A.Ş.	71.528.688	2.288.750	71.504.444	2.100.412
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş.	23.575.296	9.725.134	23.461.040	8.947.083
Bakad International B.V.	18.833.387.114	14.332.253.673	13.251.683.505	10.015.284.258

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 14. INVESTMENTS ACCOUNTED BY USING EQUITY METHOD (CONTINUED)

Investments accounted by using equity method financial statement summary consist of the following (TL):

	1 January 2023- 30 June 2023		1 April 2023- 30 June 2023		1 January 2022- 30 June 2022		1 April 2022- 30 June 2022	
	Revenue	Net profit / loss	Revenue	Net profit / loss	Revenue	Net profit / loss	Revenue	Net profit / loss
Alarko Carrier Sanayi ve Ticaret A.Ş.	1.939.063.823	12.539.506	980.077.087	(30.450.197)	1.046.200.654	172.256.248	575.069.946	84.530.178
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş.(Spain)	-	-	-	-	-	-	-	-
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş.(Turkey)	-	(13.117)	-	(7.229)	-	2.184	-	9.833
Alarko – Makyol Adi Ortaklığı	-	(271.755)	-	(246.333)	-	(91.777)	-	(31.617)
Doğuş-Alarko-YDA İnş. Adi Ortaklığı	-	-	-	-	-	23.840	-	33.085
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (*)	20.472.605.583	7.087.613.484	9.463.312.097	3.655.848.104	18.551.303.141	5.485.616.110	10.857.603.787	3.700.156.095
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş	-	(5.149.505)	-	(2.716.396)	150	(5.462.908)	-	(3.141.403)
Al-Riva Arazi Değ. Konut İnş.Turistik Tes.Golf İşl. ve Tic. A.Ş.	-	(164.094)	-	(84.391)	-	(192.141)	-	(108.251)
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş.	-	(663.796)	-	(343.824)	-	(810.019)	-	(456.125)
Bakad International B.V.	484.532.697	(98.548.797)	335.426.171	23.826.555	1.601.190.101	124.925.731	1.067.396.533	89.946.902

#### 15. INVESTMENT PROPERTIES

As of 30 June 2023 and 31 December 2022, investment properties are as follows (TL):

Fair value	Investments properties
As of 1 January 2022	726.984.671
Increase arising from change in fair value	757.073.096
Foreign currency translation difference	105.230.504
Sale of investment property (*)	(19.075.000)
Disposal	(24.319)
As of 31 December 2022	1.570.188.952
Foreign currency translation difference	61.983.895
As of 30 June 2023	1.632.172.847

(\*) At the meeting of the Board of Directors of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries, at the company headquarters on September 27, 2022.; Independent sections 1-2-3-4 of Alarko-DİM Business Center located in Istanbul Province, Beyoğlu District, Evliyaçelebi District, Şimal Kuytu Street, block 299, parcel 29, It was unanimously decided to sell it to Sürgü Gayrimenkul Yatırım A.Ş. for a price of 39.640.000 TL+VAT and to collect the sales price in cash during the title deed transfer. The title deed transfer transactions regarding the said sale were completed on 30 September 2022, and the entire sale price of 39.640.000 TL+VAT was collected.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 15. INVESTMENT PROPERTIES (CONTINUED)

As of 30 June 2023 and 31 December 2022, fair values of investment properties are as follows:

Name of Property	30 June 2023		31 December 2022	
	Ekspertise report date	Fair value (TL)	Ekspertise report date	Fair value (TL)
Maslak Land	29.12.2022	274.950.000	29.12.2022	274.950.000
Eyüp Topçular – Factory	29.12.2022	205.315.000	29.12.2022	205.315.000
Ankara Çankaya Business Center	29.12.2022	21.815.000	29.12.2022	21.815.000
İstanbul Karaköy Business Center	29.12.2022	49.840.000	29.12.2022	49.840.000
Büyükkçekmece Alkent 2000-Stores	29.12.2022	32.705.000	29.12.2022	32.705.000
Antalya Land	05.01.2023	117.738.372	05.01.2023	117.738.372
İstanbul Sarıyer Land	05.01.2023	289.250.000	05.01.2023	289.250.000
Etiler Alkent Sitesi Stores	29.12.2022	167.475.000	29.12.2022	167.475.000
İstanbul Büyükkçekmece Land	05.01.2023	3.135.000	05.01.2023	3.135.000
Sanayi Mah. Stores	05.01.2023	9.060.000	05.01.2023	9.060.000
Adana Büro Building	05.01.2023	3.890.000	05.01.2023	3.890.000
Mosalarko Office Building	27.12.2022	428.519.475	27.12.2022	366.535.580
Tuzla Land	05.01.2023	28.480.000	05.01.2023	28.480.000
Total		1.632.172.847		1.570.188.952

As of 30 June 2023 and 31 December 2022, the methods of the fair value of the investment properties calculation as follows:

Name of Property	Valuation Methods Applied	Basis of Valuation Method
Maslak Land	Equal Comparison	Equal Comparison
Eyüp Topçular – Factory	Income Reduction, Cost Analysis	Cost Approach
Ankara Çankaya Business Center	Equal Comparison, Income Reduction	Equal Comparison
İstanbul Karaköy Business Center	Equal Comparison, Income Reduction	Cost Approach
Büyükkçekmece Alkent 2000-Stores	Equal Comparison, Income Reduction	Cost Approach
Antalya Land	Equal Comparison	Equal Comparison
İstanbul Sarıyer Land	Equal Comparison	Equal Comparison
Etiler Alkent Sitesi Stores	Equal Comparison, Income Reduction	Cost Approach
İstanbul Büyükkçekmece Land	Equal Comparison	Equal Comparison
Sanayi Mah. Stores	Equal Comparison, Income Reduction	Equal Comparison
Adana Office Building	Equal Comparison, Income Reduction	Equal Comparison
Mosalarko Office Building	Equal Comparison, Income Reduction	Average
Tuzla Land	Equal Comparison	Equal Comparison

In 2022 Mosalarko Office Building that is an investment property has been valued by Nexia Pacioli Consulting LLC. Other investment properties have been valued by TSKB Gayrimenkul Değerleme Danışmanlık A.Ş.

#### 16. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are as follows (TL) :

	30 June 2023	31 December 2022
Property, plant and equipment	32.941.783	23.048.557
Total	32.941.783	23.048.557

Property, plant and equipment with net carrying value of TL 32.941.783 is classified as non-current assets held for sale as of 30 June 2023 (31 December 2022- TL 23.048.557).

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 17. PROPERTY, PLANT AND EQUIPMENT

The amount of property, plant and equipment purchased within the six-month interim accounting period ending on 30 June 2023 is TL 671.768.541 (30 June 2022 - TL 68.067.088).

The net book value of property, plant and equipment sold during the six-month interim period ending on 30 June 2023 is TL 23.599.172 (30 June 2022 - TL 651.341).

#### 18. INTANGIBLE ASSETS

Intangible assets received within the six-month interim accounting period ending on 30 June 2023 the amount of fixed assets is TL 19.222.441 (30 June 2022 - TL 17.048.603).

The net book value of intangible assets sold during the six-month interim period ending on 30 June 2023 is null (30 June 2022 – TL 2.874.263).

#### 19. RIGHT OF USE ASSETS

Right of use assets received within the six-month interim accounting period ending on 30 June 2023 the amount is TL 20.273.278 (30 June 2022 – TL 21.774.636).

The net book value of right of use assets sold during the six-month interim period ending on 30 June 2023 is TL 53.655 (30 June 2022 - none).

#### 20. PROVISIONS, CONDITIONAL ASSETS AND LIABILITIES

Short term debt provisions consist of the following (TL) :

	<b>30 June 2023</b>	31 December 2022
Provisions for litigation	<b>40.767.689</b>	39.218.946
<b>Total</b>	<b>40.767.689</b>	39.218.946

Changes in provisions for litigation as of 30 June 2023 and 2022 are set out below (TL):

	<b>30 June 2023</b>	30 June 2022
Opening balance	<b>39.218.946</b>	25.681.016
Charge for the current period	<b>1.837.626</b>	46.444
Payments during the year	<b>(286.283)</b>	(8.846.276)
Provisions no longer required	<b>(2.600)</b>	(8.522)
<b>Provision for litigation at the end of the period</b>	<b>40.767.689</b>	16.872.662

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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#### 20. PROVISIONS, CONDITIONAL ASSETS AND LIABILITIES (CONTINUED)

Contingent assets and liabilities are as follows (TL) :

a) Mortgage on the assets:

As of 30 June 2023, there is a right of easement in relation to the stores in Etiler Alkent Sitesi in Beşiktaş District dated 14 October 1987 nr. 6430 to be utilized on behalf of the real estate of the Company on section 1411, parcel 1 and against that on section 1408, parcel 1 for benefiting from the central heating; and there is a right of easement for a period of 49 years at a fee of TL 7,72 to construct 1,5 m wide channels in some parts of the heating installations. Furthermore, there is a personal right of easement for the owners of the property on section 1410 parcel 1 to benefit from the unused parking lot as stated in the project against the same parcel by voucher dated 26 February 1992 nr 784.

b) As of 30 June 2023, guarantees received for short term trade receivables amount to TL 2.220 (31 December 2022 – TL 2.220). The guarantees received other than those received for short term trade receivables amount to TL 2.577.241.982 (31 December 2022 – TL 2.395.924.639).

c) As of 30 June 2023, the overdue receivables and the related provisions stated in the Group's accounting records amount to TL 5.633.778 (31 December 2022 – TL 4.321.423).

d) As of 30 June 2023, the mortgage on the group assets is TL 1.248.000.000 amount (31 December 2022 – TL 1.248.000.000).

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 21. COMMITMENTS

As of 30 June 2023 and 31 December 2022, the Group's guarantees-sureties-mortgage ("GSM") position is as follows (TL):

	30 June 2023		31 December 2022	
Guarantee letters given	6.464.958.283		4.372.654.331	
Mortgages given	1.248.000.000		1.248.000.000	
Sureties given	5.912.964.815		5.780.751.287	
Pledges given	308.788.458		287.083.250	
<b>Total</b>	<b>13.934.711.556</b>		<b>11.688.488.868</b>	
Sureties received	1.872.002.320		1.872.002.320	
Guarantee letters received	693.018.951		504.897.892	
Mortgages received	13.150		13.150	
Notes received	12.209.781		19.013.497	
<b>Total</b>	<b>2.577.244.202</b>		<b>2.395.926.859</b>	
	30 June 2023		31 December 2022	
Guarantees, sureties, mortgages given by the Company				
A. Total guarantees, sureties, mortgages given in the name of its own corporate body	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
	-	-	-	-
B. Total guarantees, sureties, mortgages given in the name of entities included in the consolidation by full consolidation method	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
TL	2.072.000.220	2.072.000.220	1.872.000.220	1.872.000.220
		2.072.000.220		1.872.000.220
C. Total guarantees, sureties, mortgages given as collateral for other third parties' liabilities to ensure continuity of ordinary trade operations	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
TL	1.564.500.372	1.564.500.372	1.599.510.396	1.599.510.396
USD	88.753.699	2.291.895.642	135.102.779	2.526.192.285
EURO	204.790.628	5.765.675.330	204.462.194	4.075.933.387
RON	396.538.358	2.240.639.992	403.088.358	1.614.852.580
		11.862.711.336		9.816.488.648
D. Total other guarantees, sureties, mortgages given	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
i. in the name of the Parent Company	-	-	-	-
ii. in the name of other group companies that are not included in the scope of items B and C	-	-	-	-
iii. in the name of third parties that are not included in the scope of item C	-	-	-	-
<b>Grand total</b>	<b>13.934.711.556</b>		<b>11.688.488.868</b>	

The rate of other guarantees, sureties and mortgages given by the Group to the equity of the Group is 0% as of 30 June 2023 (31 December 2022: 0%).



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 22. EMPLOYEE BENEFITS

Long term debt provisions consist of the following (TL) :

	30 June 2023	31 December 2022
Provision for unused vacation	33.446.674	18.323.261
Provision for termination indemnity	69.859.382	60.157.040
<b>Total</b>	<b>103.306.056</b>	<b>78.480.301</b>

#### 23. EQUITY

(a) Share capital :

As of 30 June 2023 and 31 December 2022, the Parent Company's shareholding structure is as follows (TL) :

Name	Shareholding	30 June 2023	31 December 2022	
		Nominal value	Shareholding	Nominal value
Alaton Family	%34,36	149.492.491	%34,36	149.492.491
Garih Family	%32,15	139.869.254	%32,92	143.219.254
Other	%33,49	145.638.255	%32,72	142.288.255
<b>Total</b>	<b>%100,00</b>	<b>435.000.000</b>	<b>%100,00</b>	<b>435.000.000</b>

The registered capital limit of the Parent Company is TL 500.000.000. As of 30 June 2023, the paid-in capital of the Parent Company is TL 435.000.000 (31 December 2022 – TL 435.000.000) consisting of 43.500.000.000 shares of Kr 1 nominal value each (31 December 2022 – 43.500.000.000).

(b) Cross shareholding adjustment (-) :

Capital adjustment made upon participation of subsidiaries having interest in the Parent Company capital is as follows (TL) :

	30 June 2023	31 December 2022
Parent Company capital	435.000.000	435.000.000
Parent Company shares acquired by the Subsidiary at nominal value (-)	(1.535.883)	(1.535.883)
<b>Total share capital</b>	<b>433.464.117</b>	<b>433.464.117</b>

There are Parent Company shares acquired by Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. in 2003 amounting to TL 1.183.962 as of 30 June 2022 (Value adjusted to the purchasing power of the Turkish Lira at 31 December 2004 – TL 1.208.359), and Parent Company shares acquired by Alsim Alarko San. Tes. ve Tic. A.Ş. as of 30 June 2023 amounting to a total value of TL 348.778, and shares acquired by Tüm Tesisat ve İnşaat A.Ş. as of 30 June 2023 amounting to TL 3.143.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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#### 23. EQUITY (CONTINUED)

##### (c) Restricted reserves:

As of 30 June 2023 and 31 December 2022, restricted reserves consist of legal reserves.

Legal reserves, which are divided as First Legal Reserve and Second Legal Reserve as per the Turkish Commercial Code, are appropriated as below :

- a) First Legal Reserve: Appropriated out of net profit at the rate of 5% until such reserve is equal to 20% of issued and fully paid capital
- b) Second Legal Reserve: Appropriated out of net profit at the rate of 10% of distributions after providing for First Legal Reserve and an amount equal to 5% of capital as dividends.

Legal reserves which do not exceed one half of share capital may only be used to absorb losses or for purposes of continuity of the business in times of business difficulties and to prevent unemployment or lessen its effects.

##### (d) Repurchased shares (-)

On March 18, 2022, by the Board of Directors of Alarko Holding A.Ş.; In order to protect the interests of all stakeholders, especially small stakeholders, and to contribute to the formation of healthy prices, taking into account the worldwide economic developments; Pursuant to the Capital Markets Board's Communiqué on Repurchased Shares numbered II-22.1 and the related announcements dated 21 July 2016 and 25 July 2016, the maximum amount of funds that can be allocated for share repurchase is determined as 180.000.000 TL to be met from internal resources, It was unanimously decided to determine the maximum amount of shares that may be subject to share buyback with a nominal value of 8.700.000, and to submit the share buyback program and the purchases to be made within the scope of the program to the information of the shareholders at the first General Assembly Meeting. Within the scope of the said buyback program; 19.256.602 TL which corresponds to 613.000 shares, on 14 June 2022 1.454.680 TL, which corresponds to 46.500 shares on 5 July 2022, 2.755.636 TL, which corresponds to 88.747 shares, on 6 July 2022, 26 July 4.897.528 TL corresponding to 132.335 shares in 2022, 14.087.908 TL corresponding to 305.782 shares on 24 August 2022, 9.813.798 TL corresponding to 213.150 shares on 26 August 2022 9.765.906 shares hitting 179.600 shares, 390.025 TL hitting 7,000 shares on 30 September 2022, 3.636.275 TL hitting 62.000 shares on 3 October 2022, 148.972 shares on 20 October 2022 9,251,391 TL, 4.892.625 TL, which hit 82.500 shares on 25 October 2022, 9.890.331 TL, which hit 159,201 shares on 26 October 2022, 9.888, which hit 157.500 shares on 27 October 2022. 650 TL, 1.955.175 TL corresponding to 27.000 shares on 17 November 2022, 29.843.776 TL corresponding to 378.500 shares on 28 December 2022, 23.634.294 shares corresponding to 295.504 shares on 3 January 2023 TL, 9.935.100 TL hitting 131.000 shares on 5 January 2023, 5.752.578 TL hitting 85.957 shares on 11 January 2023, 4.997.969 TL hitting 74.625 shares on 1 February 2023. On February 2 2023, purchases of 2.645.377 TL, corresponding to 42.500 shares, were made.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 23. EQUITY (CONTINUED)

##### (d) Repurchased shares (-) (continued) :

On February 16 2023, by the Board of Directors of Alarko Holding A.Ş.; In addition to the existing share repurchase program, in order to protect the interests of all our stakeholders and to contribute to the formation of a healthy price in the share value of our Company, within the framework of the Capital Markets Board's Communiqué II-22.1 on Repurchased Shares and the principle decision numbered 9/177 dated 14 February 2023. to be repurchased, to revise the maximum amount of funds that can be allocated for share repurchase, determined as 180.000.000 TL, to 380.000.000 TL to be met from internal resources, to revise the maximum amount of shares that may be subject to share repurchase, to a nominal value of 5.600.000 TL, it was unanimously decided that the share repurchase program and the purchases to be made within the scope of the program be submitted to the information of the shareholders at the first General Assembly Meeting. Within the scope of the aforementioned buyback program; 9.919.719 TL corresponding to 140.816 shares on 15 March 2023, 15.047.285 TL corresponding to 207.000 shares on 20 March 2023, 14.973.066 shares corresponding to 211.500 shares on 21 March 2023. TL 14.910.950, hitting 210.000 shares on 22 March 2023, 14.947.300 TL hitting 217.500 shares on 28 March 2023, 3.350.783 TL hitting 51.328 shares on 29 March 2023. 14.995.040 TL, which corresponds to 231.500 shares on 31 March 2023, 3.433.038 TL, which corresponds to 52.415 shares on 3 April 2023, 10.147.318 TL, which corresponds to 151.549 shares on 4 April 2023, 9.943.925 TL, which corresponds to 145.000 shares, on 6 April 2023, 8.094.415 TL, which corresponds to 116.055 shares on 7 April 2023, 9.947.891 TL, which corresponds to 137.717 shares, on 11 April 2023, 13 April Purchases were made for 14.993.257 TL corresponding to 203.491 shares on 2023, 14.994.787 TL for 208.000 shares on 14 April 2023, and 6.026.828 TL for 84.756 shares on 17 April 2023. the ratio of the shares in the company's capital has reached %1.287. As of April 17, 2023, the share purchase transaction was completed. The Company has shown 344.471.225 TL in the “Repurchased Shares (-)” account, which was paid in connection with the repurchase of shares.

Board of Directors of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries, has taken a new share purchase decision on 29 August 2022. It has been decided to determine the maximum amount of funds to be covered by internal resources as 37.000.000 TL and to determine the maximum amount of shares that may be subject to share repurchase with a nominal value of 1.000.000 TL. Within the scope of the said buyback program; 3.363.164 TL corresponding to 86.450 shares on 2 September 2022, 1.731.655 TL corresponding to 43.750 shares on 6 September 2022, 236.053 TL corresponding to 3.639 shares on 17 November 2022 and 28 December 2022. Purchases of 9.964.652 TL, corresponding to 122.500 shares, were made. On 20 March 2023, 1.499.430 TL corresponding to 24.800 shares, 1.497.375 TL corresponding to 25.000 shares on 21 March 2023, 1.488.085 TL corresponding to 25.000 shares on 22 March 2023, 28 March, purchases of TL 1.498.371 corresponding to 22.850 shares on 2023 and TL 998.485 corresponding to 16.000 shares on March 29 2023 were made.

As of 30 June 2023, there are shares bought back 354.915.650 TL (31 December 2022 - 147.313.116 TL). Dividends falling on repurchased shares are shown in the repurchased shares account. The Company has reserved reserves equal to the repurchase price of the repurchased shares and classified them as restricted reserves set aside from profit under equity.

##### (e) Retained earnings or accumulated losses :

As per the Communiqué Nr. II-14.1 “Paid-in Capital and Restricted Reserves” are recognized over the totals stated in the legal books, and the differences arising upon valuations made in accordance with TAS/TFRS are associated with the retained earnings or accumulated losses. As per the same Communiqué, Retained earnings or accumulated losses other than the net profit for the period, are stated in the “Retained Earnings or Accumulated Losses” account together with the extraordinary reserves regarded in essence as accumulated losses.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 23. EQUITY (CONTINUED)

(e) Retained earnings or accumulated losses (continued) : :

Distribution of retained earnings or accumulated losses is as follows (TL) :

	<b>30 June 2023</b>	31 December 2022
Retained earnings or accumulated losses	<b>11.190.129.507</b>	1.147.290.088
Legal reserves	<b>1.109.360.009</b>	356.378.794
Extraordinary reserves	<b>1.454.171.174</b>	1.165.897.421
<b>Total</b>	<b>13.753.660.690</b>	2.669.566.303

(f) Non-controlling interest:

Non-controlling interest consist of the following (TL):

	<b>30 June 2023</b>	31 December 2022
Share capital	<b>74.134.112</b>	33.259.849
Repurchased shares(-)	<b>(18.213.218)</b>	(14.805.976)
Premiums/discounts on shares	<b>10.800.000</b>	-
Legal reserves	<b>43.954.526</b>	33.911.769
Other comprehensive income	<b>93.373.444</b>	67.987.162
Retained earnings or (accumulated losses)	<b>1.097.298.227</b>	776.519.993
Profit / (loss) for the period	<b>161.819.789</b>	422.857.565
<b>Total</b>	<b>1.463.166.880</b>	1.319.730.362

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 24. REVENUE AND COST OF SALES

Revenues consist of the following (TL) :

	<b>1 January– 30 June 2023</b>	<b>1 April– 30 June 2023</b>	1 January– 30 June 2022	1 April– 30 June 2022
Domestic sales	<b>1.064.616.170</b>	<b>602.920.987</b>	1.330.060.248	754.644.635
Exports sales	<b>2.171.145.070</b>	<b>1.247.799.701</b>	1.426.240.723	1.024.611.228
Other sales	<b>14.913.137</b>	<b>8.850.542</b>	7.073.842	4.073.132
Sales returns (-)	<b>(155.686)</b>	<b>(147.729)</b>	(376.322)	(332.069)
Sales discounts (-)	<b>(46.823.495)</b>	<b>(46.823.495)</b>	(25.604.620)	(25.604.620)
<b>Total</b>	<b>3.203.695.196</b>	<b>1.812.600.006</b>	2.737.393.871	1.757.392.306

Cost of sales consists of the following (TL) :

	<b>1 January– 30 June 2023</b>	<b>1 April– 30 June 2023</b>	1 January– 30 June 2022	1 April– 30 June 2022
Cost of trade goods sold	<b>77.565.318</b>	<b>10.661.329</b>	1.073.582	608.833
Cost of goods sold	<b>22.885.917</b>	<b>22.885.917</b>	-	-
Cost of services sold	<b>2.758.443.273</b>	<b>1.681.163.714</b>	2.091.562.986	1.354.804.893
<b>Total</b>	<b>2.858.894.508</b>	<b>1.714.710.960</b>	2.092.636.568	1.355.413.726

#### 25. OTHER INCOME FROM OPERATING ACTIVITIES

Other income from operating activities is as follows (TL):

	<b>1 January – 30 June 2023</b>	<b>1 April– 30 June 2023</b>	1 January – 30 June 2022	1 April – 30 June 2022
Foreign exchange income	<b>1.859.263.134</b>	<b>1.665.983.719</b>	412.149.139	224.587.157
Interest income	<b>121.041.980</b>	<b>52.495.059</b>	29.246.535	17.277.368
Rental Incomes	<b>5.931.569</b>	<b>3.903.994</b>	7.031.094	5.489.836
Provisions for termination indemnity no longer required	<b>23.334.660</b>	<b>17.943.463</b>	9.333.940	5.363.697
Rediscount interest income	<b>2.474.641</b>	<b>1.561.686</b>	1.652.997	108.203
Maturity differences received	<b>5.110.845</b>	<b>3.052.999</b>	9.077.463	7.410.543
Compensation received	<b>377.069</b>	<b>308.181</b>	538.368	414.700
Other income and profits	<b>56.271.491</b>	<b>24.871.458</b>	77.441.092	61.303.568
<b>Total</b>	<b>2.073.805.389</b>	<b>1.770.120.559</b>	546.470.628	321.955.072

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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#### 26. TAX ASSETS AND LIABILITIES

a) Corporation tax;

The effective tax rate in 2023 is 25% (2022: 23%).

The corporate tax rate to be accrued over the taxable corporate income is based on the remaining tax after deducting the expenses that cannot be deducted from the tax base and the tax exemptions, non-taxable income and other discounts (if any, previous year losses and investment discounts used if preferred). it is calculated.

Advance tax in Turkey is calculated as three-month period and are accrued. With the “Law on the Establishment of Additional Motor Vehicles Tax for Compensation for Economic Losses Caused by the Earthquakes Occurred on February 6, 2023, and Amending Certain Laws and Decree Law No. 375” published in the Official Gazette dated 15 July 2023, the corporate tax rate was reduced from 20%. It has been increased to 25%. Accordingly, the calculated corporate tax provision and deferred tax calculations are based on the corporate tax rate applicable in the relevant year. Losses can be carried forward for a maximum of 5 years, to be deducted from the taxable profits that will arise in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

The Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-30 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

#### Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 22 July 2006, this rate has been changed to 15% upon the Council of Minister's' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Based on the investment incentive certificates received before April 24, 2003, 19,8% tax withholding is required over the investment allowance amount. No tax withholding is made from investment expenditures without incentive certificate made after this date.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 26. TAX ASSETS AND LIABILITIES (CONTINUED)

##### a) Corporation tax (continued)

##### Taxation of The Operations of Foreign Subsidiaries

The subsidiaries, affiliates and joint venture included in full consolidation and equity pick-up methods in the accompanying consolidated financial statements are subject to corporate tax and withholding tax effective in the relevant country. Effective tax rates in Russia, Romania, Ukraine and Spain in which the Group operates are 20%, 16%, 18% and 25% respectively, and Kazakhstan countries in tax rate 28%.

Tax income and expenses recognized in the consolidated statement of profit or loss and other comprehensive income are summarized in the following (TL) :

	<b>1 January – 30 June 2023</b>	<b>1 April– 30 June 2023</b>	1 January– 30 June 2022	1 April– 30 June 2022
Current period corporation tax	<b>(285.077.146)</b>	<b>(216.247.918)</b>	(40.145.782)	(39.356.771)
Deferred tax income / (expense) (Note 26(b))	<b>312.148.583</b>	<b>338.153.407</b>	(15.921.531)	(29.476.046)
<b>Total tax expense</b>	<b>27.071.437</b>	<b>121.905.489</b>	(56.067.313)	(68.832.817)

##### b) Deferred tax assets and liabilities;

The Group accounts for deferred tax assets and liabilities for temporary timing differences arising from differences between tax-based financial statements and financial statements prepared in accordance with TFRS. These differences are generally caused by the fact that some income and expense items are included in different periods in tax-based financial statements and financial statements prepared in accordance with TFRS. These differences are stated below.

The tax rate used in the calculation of deferred tax assets and liabilities is 25% over temporary timing differences that are expected to reverse.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

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#### 26. TAX ASSETS AND LIABILITIES (CONTINUED)

##### b) Deferred tax assets and liabilities (continued);

Temporary differences creating a basis for deferred tax calculations and deferred tax assets/liabilities and deferred tax income/expenses are as follows (TL) :

##### Temporary income / (expense) differences

	Accumulated temporary differences		Deferred tax assets / liabilities	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Tax assets</b>				
Tax losses of carry forward (*)	78.038.979	49.787.135	16.920.049	9.957.427
Cost of long term construction contracts	5.344.348.418	4.466.348.382	1.348.151.695	893.269.676
Provision for litigation expenses	40.767.689	39.218.946	10.191.922	7.843.789
Unused vacation provision	32.684.874	18.031.906	8.171.219	3.606.381
Termination indemnity	35.652.045	24.474.623	8.913.011	4.894.925
Difference between carrying value and tax bases of property, plant and equipment and intangible assets	2.714.159.521	2.412.919.930	744.041.098	482.583.986
Leases	37.929.091	33.788.743	9.482.274	6.757.749
Other	-	25.770.082	-	5.154.018
<b>Total</b>			<b>2.145.871.268</b>	<b>1.414.067.951</b>

	Accumulated temporary differences		Deferred tax assets / liabilities	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Tax liabilities</b>				
Temporary differences on inventory	(48.478.471)	(52.573.618)	(12.178.228)	(10.514.723)
Right of use assets	(41.205.674)	(35.577.099)	(10.301.418)	(7.115.420)
Derivative instruments	-	(6.380.266)	-	(1.276.053)
Contract progress income	(4.002.522.214)	(3.806.556.527)	(1.114.361.090)	(767.321.773)
Investment properties	(880.072.854)	(818.088.958)	(198.592.240)	(163.617.792)
Other	(146.239.451)	-	(36.559.868)	-
<b>Total</b>			<b>(1.371.992.844)</b>	<b>(949.845.761)</b>

<b>Net deferred tax liability</b>			<b>773.878.424</b>	<b>464.222.190</b>
Deferred tax asset on financial position			<b>1.027.322.439</b>	<b>624.261.926</b>
Deferred tax liability on financial position			<b>(253.444.015)</b>	<b>(160.039.736)</b>
<b>Net effect of deferred tax</b>			<b>773.878.424</b>	<b>464.222.190</b>

(\*) As of 30 June 2023, 1.985.733 TL of previous years and current period losses subject to deferred tax calculation belong to energy group companies, 51.986.197 TL to contracting group companies and 24.067.049 TL to holding group companies. (As of 31 December 2022, of the previous years and current period losses subject to deferred tax calculation, 3.603.053 TL belongs to energy group companies, 42.287.454 TL belongs to contracting group companies, 3.896.628 TL belongs to holding group companies.)



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 26. TAX ASSETS AND LIABILITIES (CONTINUED)

b) Deferred tax assets and liabilities (continued);

Deferred tax (expense) / income (TL):

	30 June 2023	30 June 2022
Prior period deferred tax liability	464.222.190	4.156.856
Deferred tax (expense) / income (Note 26(a))	312.148.583	(15.921.531)
Subsidiaries acquisition	(14.760.569)	-
Foreign currency translation differences	6.615.423	(23.764.151)
Actuarial deferred tax income / (expense)	5.652.797	1.484.926
Current period deferred tax liability (-)	773.878.424	(34.043.900)

#### 27. EARNINGS / (LOSS) PER SHARE

Earnings / (loss) per share is calculated as follows :

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Parent company profit / (loss) for the period (TL)	4.924.875.259	3.089.516.526	3.264.901.963	2.233.811.923
Weighted average number of ordinary shares at the beginning of the period (*)	430.611.803	429.947.229	435.000.000	435.000.000
<b>Earnings / (loss) per share</b>				
Earnings / (loss) per parent company share (TL)	11,437	7,186	7,506	5,135

(\*) Per share of TL 1 nominal.

Gross dividend amount paid per share from retained earnings is TL 0.33 and total gross dividend amount paid is TL 143.550.000 according to Ordinary General Assembly of Alarko Holding held on 27 April 2023. According to the Ordinary General Assembly of Alarko Holding A.Ş. held on April 27 2022, the dividend paid per share from previous years' profits is TL 0.23 in gross and the total dividend paid is TL 100.050.000 in gross.

It is decided that advanced dividend from the net period profit of the interim financial report of January 1 2023 - March 31 2023 will be paid starting from June 1 2023 to shareowners that represent TL 435.000.000 capital. After deducting the reserve funds allocated in accordance with the Turkish Commercial Code and the Articles of Association, the advanced dividend payment amount will be paid as 70% gross and 63% net of the total capital of TL 435.000.000 which equals to TL 304.500.000 gross.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 28. RELATED PARTY DISCLOSURES

Trade receivables from related parties consist of the following (TL):

	30 June 2023	31 December 2022
Meram Elektrik Perakende Satış A.Ş.(1)	6.303.648	3.171.069
Alarko Carrier San. ve Tic. A.Ş.(1)	6.078.962	977.714
Cenal Elektrik Üretim A.Ş. (1)	1.323.928	652.068
Meram Elektrik Enerjisi Toptan Satış A.Ş.(1)	1.171.357	569.411
Alarko Cengiz Metro Ortak Girişimi (2)	3.318.505	6.693.091
Alarko-Makyol Adi Ortaklığı (1)	10.837	431
<b>Total (Note 8)</b>	<b>18.207.237</b>	<b>12.063.784</b>

Trade payables to related parties consist of the following (TL) :

	30 June 2023	31 December 2022
Alarko Cengiz Metro Ortak Girişimi (2)	-	376.099
Alarko Carrier San. ve Tic. A.Ş. (1)	871.658	2.272.770
Meram Elektrik Dağıtım A.Ş.(1)	7.057	29.279
Meram Elektrik Enerjisi Toptan Satış A.Ş.(1)	3.214.922	713.797
Alcen Enerji Dağ.ve Perak.Sat. Hizm.A.Ş. (1)	2.887	-
Bükreş Uluslararası Havalimanı Demiryolu Bağlantısı 6. Metro Kesimi (2)	5.569.974	-
<b>Total (Note 8)</b>	<b>9.666.498</b>	<b>3.391.945</b>

Other short-term receivables from related parties consist of the following (TL) :

	30 June 2023	31 December 2022
Alarko-Makyol Adi Ortaklığı (1)	998.791	924.636
Alarko Cengiz Metro Ortak Girişimi (2)	-	460.961
Al-Riva Projesi .Ar.Değ.Konut İnş. Tic. A.Ş. (3)	-	4.660
Al-Riva Arazi Değer.Konut İnş.ve Tic. A.Ş. (3)	-	2.272
Al-Riva Ar.Değ.Kon. İnş. Tur. Tes. Golf A.Ş. (3)	-	7.033
<b>Total</b>	<b>998.791</b>	<b>1.399.562</b>

Non-trade long term receivables from related parties is as follows (TL):

	30 June 2023	31 December 2022
Al-Riva Projesi Ar.Değ.Konut İnş. Tic. A.Ş. (3)	61.594.358	55.759.082
Al-Riva Arazi Değer.Konut İnş.ve Tic. A.Ş. (3)	9.724.216	8.944.811
Al-Riva Ar.Değ.Kon. İnş. Tur. Tes. Golf A.Ş. (3)	2.288.447	2.093.379
<b>Total</b>	<b>73.607.021</b>	<b>66.797.272</b>

- (1) Jointly controlled entity  
(2) Joint operation  
(3) Affiliate

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

### 28. RELATED PARTY DISCLOSURES (CONTINUED)

Short term non-trade payables to related parties are as follows (TL):

	30 June 2023	31 December 2022
Alcen Enerji Dağ.ve Perak.Sat. Hizm.A.Ş. (1)	2.997.274.842	3.088.888.161
<b>Total</b>	<b>2.997.274.842</b>	<b>3.088.888.161</b>

Sales to related parties consist of the following (TL) :

As of 30 June 2023	Rent	Service	Trade good	Maturity difference	Other	Total
Al-Riva Projesi Ar.Değ. Konut Ins.Tic.A.Ş (3)	-	-	-	2.629.320	-	2.629.320
Al-Riva Arazi Değ. Konut Ins.ve Tic.A.Ş. (3)	-	-	-	387.591	-	387.591
Al-Riva Ar.Değ.Kon.Inş.Tur.Tes.Golf A.Ş. (3)	-	-	-	91.063	-	91.063
Alarko Carrier San. ve Tic. A.Ş. (1)	890.253	7.053.971	680	-	-	7.944.904
Meram Elektrik Enerjisi Toptan Satış A.Ş. (1)	-	4.522.104	3.024.799	-	-	7.546.903
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. (1)	-	1.876	-	-	-	1.876
Cenal Elektrik Üretim A.Ş. (1)	-	5.116.379	-	-	-	5.116.379
Meram Elektrik Perakende Satış A.Ş. (1)	-	24.385.496	-	-	-	24.385.496
Bükrüş Uluslararası Havalimanı Demiryolu Bağlantısı 6. Metro Kesimi (2)	-	-	-	-	6.843.855	6.843.855
Alarko Cengiz Metro Ortak Girişimi (2)	-	-	-	-	96.142	96.142
<b>Total</b>	<b>890.253</b>	<b>41.079.826</b>	<b>3.025.479</b>	<b>3.107.974</b>	<b>6.939.997</b>	<b>55.043.529</b>

As of 30 June 2022	Rent	Service	Trade good	Maturity difference	Other	Total
Al-Riva Projesi Ar.Değ. Konut Ins.Tic.A.Ş (3)	-	-	-	3.080.230	-	3.080.230
Al-Riva Arazi Değ. Konut Ins.ve Tic.A.Ş. (3)	-	-	-	481.244	-	481.244
Al-Riva Ar.Değ.Kon.Inş.Tur.Tes.Golf A.Ş. (3)	-	-	-	112.317	-	112.317
Alarko Carrier San. ve Tic. A.Ş. (1)	449.338	1.642.571	28	-	-	2.091.937
Meram Elektrik Enerjisi Toptan Satış A.Ş. (1)	-	1.017.268	4.281.028	-	-	5.298.296
Cenal Elektrik Üretim A.Ş. (1)	-	1.146.314	-	-	-	1.146.314
Meram Elektrik Perakende Satış A.Ş. (1)	-	5.472.791	236.169.972	5.403.672	-	247.046.435
Alarko Cengiz Metro Ortak Girişimi (2)	1.366.249	-	10.823	-	22.471	1.399.543
<b>Total</b>	<b>1.815.587</b>	<b>9.278.944</b>	<b>240.461.851</b>	<b>9.077.463</b>	<b>22.471</b>	<b>260.656.316</b>

Purchases from related parties consist of the following (TL) :

As of 30 June 2023	Rent	Service	Trade good	Maturity difference	Other	Total
Alarko Carrier San. ve Tic. A.Ş. (1)	88.201	178.461	11.261.022	-	28.039	11.555.723
Meram Elektrik Dağıtım A.Ş. (1)	-	-	-	-	23.502	23.502
Meram Elektrik Enerjisi Toptan Satış A.Ş. (1)	-	2.093.255	7.365.736	-	-	9.458.991
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. (1)	-	-	-	111.367.527	1.224	111.368.751
<b>Total</b>	<b>88.201</b>	<b>2.271.716</b>	<b>18.626.758</b>	<b>111.367.527</b>	<b>52.765</b>	<b>132.406.967</b>

As of 30 June 2022	Rent	Service	Trade good	Maturity difference	Other	Total
Alarko Carrier San. ve Tic. A.Ş. (1)	53.839	109.638	-	-	28.398	191.875
Meram Elektrik Dağıtım A.Ş. (1)	-	-	-	-	32.122	32.122
Meram Elektrik Enerjisi Toptan Satış A.Ş. (1)	-	5.999.579	7.243.992	-	-	13.243.571
Cenal Elektrik Üretim A.Ş. (1)	-	-	234.488.219	5.371.457	-	239.859.676
Alarko Cengiz Metro Ortak Girişimi (2)	-	276.522	-	-	-	276.522
<b>Total</b>	<b>53.839</b>	<b>6.385.739</b>	<b>241.732.211</b>	<b>5.371.457</b>	<b>60.520</b>	<b>253.603.766</b>

(1) Jointly controlled entity

(2) Joint operation

(3) Affiliate

As of 30 June 2023, remuneration provided to top executives such as the General Manager, Assistant General Manager and members of the Board of Directors amount to TL 210.835.412 (30 June 2022 – TL 65.503.421). The entire amount consists of short term benefits.

As of 30 June 2023, the guarantees, mortgages, and sureties received from Group companies amount to TL 1.872.002.320 (31 December 2022 – TL 1.872.002.320). As of 30 June 2023 the guarantees, mortgages, and sureties given to Group companies amount to TL 8.056.779.848 (31 December 2022 – TL 6.894.110.361).

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

### 29. NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

As of 30 June 2023, the foreign currency assets and liabilities of the Group consist of the following (TL) :

	Foreign currency position table					
	TL Equivalent (Functional currency)	USD	EURO	GBP	Ruble	Ron
1. Trade receivables	264.675.434	6.306.813	3.581.828	27.071	-	14.698
2a. Monetary financial assets (Incl. Cash and Banks)	5.051.305.327	185.386.357	8.093.884	1.099.930	3.688	16.370
2b. Non-monetary financial assets	24.346.535	942.820	-	-	-	-
3. Other	665.417	1	23.634	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>5.340.992.713</b>	<b>192.635.991</b>	<b>11.699.346</b>	<b>1.127.001</b>	<b>3.688</b>	<b>31.068</b>
5. Trade receivables	126.693	-	4.500	-	-	-
6a. . Monetary financial assets	1.138.206.731	44.077.076	-	-	-	-
6b. Non-monetary financial assets	1.291	50	-	-	-	-
7. Other	-	-	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>1.138.334.715</b>	<b>44.077.126</b>	<b>4.500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>6.479.327.428</b>	<b>236.713.117</b>	<b>11.703.846</b>	<b>1.127.001</b>	<b>3.688</b>	<b>31.068</b>
10. . Trade payables	351.646.993	761.213	11.364.599	9.716	36.111.200	-
11. Financial liabilities	1.517.270.045	20.491.312	35.000.000	-	-	-
12.a Other monetary liabilities	3.799.629	142.936	3.614	-	-	-
12.b Other non-monetary liabilities	336.896.449	2.217.605	7.718.809	1.874.562	-	-
<b>13. Short term liabilities (10+11+12)</b>	<b>2.209.613.116</b>	<b>23.613.066</b>	<b>54.087.022</b>	<b>1.884.278</b>	<b>36.111.200</b>	<b>-</b>
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16.a Other monetary liabilities	-	-	-	-	-	-
16.b Other non-monetary liabilities	-	-	-	-	-	-
<b>17. Long term liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>2.209.613.116</b>	<b>23.613.066</b>	<b>54.087.022</b>	<b>1.884.278</b>	<b>36.111.200</b>	<b>-</b>
<b>19. Net foreign currency asset / (liability) position (9-18)</b>	<b>4.269.714.312</b>	<b>213.100.051</b>	<b>(42.383.176)</b>	<b>(757.277)</b>	<b>(36.107.512)</b>	<b>31.068</b>
<b>20. Monetary items net foreign currency asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>4.581.597.518</b>	<b>214.374.785</b>	<b>(34.688.001)</b>	<b>1.117.285</b>	<b>(36.107.512)</b>	<b>31.068</b>
<b>21. Exports (*)</b>	<b>26.871.227</b>	<b>-</b>	<b>1.231.532</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>22. Imports (*)</b>	<b>9.460.484</b>	<b>27.948</b>	<b>373.062</b>	<b>45.022</b>	<b>-</b>	<b>-</b>

(\*) Average exchange rate is used and represents pre-elimination balances.

As of 31 December 2022, the foreign currency assets and liabilities of the Group consist of the following (TL):

	Foreign currency position table				
	TL Equivalent (Functional currency)	USD	EURO	GBP	Ron
1. Trade receivables	458.223.772	147.607	22.806.173	36.684	-
2a. Monetary financial assets (Incl. Cash and Banks)	4.116.751.547	206.835.313	12.446.629	51.246	2.004
2b. Non-monetary financial assets	61.325.656	3.279.745	-	-	-
3. Other	335.511	59	16.775	-	-
<b>4. Current assets (1+2+3)</b>	<b>4.636.636.486</b>	<b>210.262.724</b>	<b>35.269.577</b>	<b>87.930</b>	<b>2.004</b>
5. Trade receivables	89.707	-	4.500	-	-
6a. . Monetary financial assets	596.400.200	31.895.958	-	-	-
6b. Non-monetary financial assets	935	50	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>596.490.842</b>	<b>31.896.008</b>	<b>4.500</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>5.233.127.328</b>	<b>242.158.732</b>	<b>35.274.077</b>	<b>87.930</b>	<b>2.004</b>
10. . Trade payables	176.302.043	1.195.761	7.684.217	19.600	-
11. Financial liabilities	1.499.283.680	15.187.227	60.828.637	-	-
12.a Other monetary liabilities	1.997	-	100	-	-
12.b Other non-monetary liabilities	157.488.334	945.027	6.316.545	603.350	-
<b>13. Short term liabilities (10+11+12)</b>	<b>1.833.076.054</b>	<b>17.328.015</b>	<b>74.829.499</b>	<b>622.950</b>	<b>-</b>
14. Trade payables	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-
16.a Other monetary liabilities	-	-	-	-	-
16.b Other non-monetary liabilities	-	-	-	-	-
<b>17. Long term liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>1.833.076.054</b>	<b>17.328.015</b>	<b>74.829.499</b>	<b>622.950</b>	<b>-</b>
<b>19. Net foreign currency asset / (liability) position (9-18)</b>	<b>3.400.051.274</b>	<b>224.830.717</b>	<b>(39.555.422)</b>	<b>(535.020)</b>	<b>2.004</b>
<b>20. Monetary items net foreign currency asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>3.495.877.506</b>	<b>222.495.890</b>	<b>(33.255.652)</b>	<b>68.330</b>	<b>2.004</b>
<b>21. Exports (*)</b>	<b>8.279.255</b>	<b>-</b>	<b>484.016</b>	<b>-</b>	<b>-</b>
<b>22. Imports (*)</b>	<b>323.768.839</b>	<b>13.620.055</b>	<b>3.414.061</b>	<b>169.016</b>	<b>-</b>
<b>23. Exports 30 June 2022 (*)</b>	<b>4.622.914</b>	<b>-</b>	<b>297.645</b>	<b>-</b>	<b>-</b>
<b>24. Imports 30 June 2022 (*)</b>	<b>95.656.254</b>	<b>4.000.863</b>	<b>1.613.995</b>	<b>67.156</b>	<b>-</b>

(\*) Average exchange rate is used and represents pre-elimination balances.

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(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

#### 29. NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

The following table details the Group's sensitivity to a 10% appreciation in the exchange rate of foreign currency against TL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personal and represent management's assessment of the possible change in the foreign exchange rates.

As of 30 June 2023 and 31 December 2022, the currency risk analysis of Alarko Group is as follows (TL):

	Foreign currency sensitivity analysis chart			
	30 June 2023			Equity
	Value increase in foreign currency	Profit/loss Value decrease in foreign currency	Value increase in foreign currency	Value decrease in foreign currency
When USD changes by 10% against TL				
1- Net Assets/ Liabilities in USD	550.180.590	(550.180.590)	-	-
2- Hedged from USD risk (-)	-	-	-	-
<b>3- USD Net Effect (1+2)</b>	<b>550.180.590</b>	<b>(550.180.590)</b>	-	-
When Euro changes by 10% against TL				
4- Net Assets/ Liabilities in Euro	(119.600.352)	119.600.352	-	-
5- Hedged from Euro risk(-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(119.600.352)</b>	<b>119.600.352</b>	-	-
When GBP changes by 10% against TL				
7- Net Assets/ Liabilities in GBP	(2.516.664)	2.516.664	-	-
8- Hedged from GBP risk (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(2.516.664)</b>	<b>2.516.664</b>	-	-
When other foreign currencies changes by 10% against TL				
10- Net Assets/ Liabilities in other currencies	(1.092.143)	1.092.143	-	-
11- Hedged from other currency risks(-)	-	-	-	-
<b>12- Net Effect of Other Currencies (10+11)</b>	<b>(1.092.143)</b>	<b>1.092.143</b>	-	-
<b>Total (3+6+9+12)</b>	<b>426.971.431</b>	<b>(426.971.431)</b>		

  

	Foreign currency sensitivity analysis chart			
	31 December 2022			Equity
	Value increase in foreign currency	Profit/loss Value decrease in foreign currency	Value increase in foreign currency	Value decrease in foreign currency
When USD changes by 10% against TL				
1- Net Assets/ Liabilities in USD	420.336.823	(420.336.823)	-	-
2- Hedged from USD risk (-)	-	-	-	-
<b>3- USD Net Effect (1+2)</b>	<b>420.336.823</b>	<b>(420.336.823)</b>	-	-
When Euro changes by 10% against TL				
4- Net Assets/ Liabilities in Euro	(79.121.975)	79.121.975	-	-
5- Hedged from Euro risk(-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(79.121.975)</b>	<b>79.121.975</b>	-	-
When GBP changes by 10% against TL				
7- Net Assets/ Liabilities in GBP	(1.210.524)	1.210.524	-	-
8- Hedged from GBP risk (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(1.210.524)</b>	<b>1.210.524</b>	-	-
When other foreign currencies changes by 10% against TL				
10- Net Assets/ Liabilities in other currencies	803	(803)	-	-
11- Hedged from other currency risks(-)	-	-	-	-
<b>12- Net Effect of Other Currencies (10+11)</b>	<b>803</b>	<b>(803)</b>	-	-
<b>Total (3+6+9+12)</b>	<b>340.005.127</b>	<b>(340.005.127)</b>		

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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#### 30. SUBSEQUENT EVENTS

- a) By the Board of Directors of Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the Subsidiaries, in order to contribute to sustainable agriculture in line with the strategic growth targets in the global and national fertilizer market; It has been decided to establish a joint stock company with a capital of 400.000.000 TL to operate in the fertilizer sector for the purposes of establishing and operating organic and organomineral fertilizer production facilities using renewable energy sources, fertilizer production, supply and marketing. The said company was established with the title of "Alarko Gübre Fabrikaları Sanayi ve Ticaret Anonim Şirketi" and was registered by the Istanbul Trade Registry on 7 July 2023.
- b) On July 3, 2023, the purchase of 11.878,14 m2 land in Buharkent, Aydın, the 56.885,78 m2 and 13.370,20 m2 greenhouse in Sarayköy, Denizli, including the 950 meters deep hot water well and 100 meters deep cold water well above these immovables, were decided by Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. for a price of 58.500.000 TL. Alsera Jeotermal is a subsidiary of A.S. Organik Tarım Hayvancılık ve San. Tic. Ltd. Şti., who is the owner of the immovable properties.
- c) It has been decided to previously made public by the Board of Directors of Alarko Tarım Sanayi ve Ticaret A.Ş., one of the Subsidiaries, to purchase 400.000 shares with a nominal value of 400.000 TL, corresponding to 40% of the shares of Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret Anonim Şirketi, for a price of 75.468.000 TL. At the meeting of the Board of Directors on July 10, 2023, it was decided to purchase all (100%) of the shares of Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret Anonim Şirketi for a price of 9.830.000 US Dollars in Turkish Lira, to purchase its shares with a nominal value of 400,000 TL. It was decided that the advance amount of 75.468.000 TL, which was paid, would be deducted from the determined share purchase price and the said share transfer transaction was carried out on the same date.
- d) Between Alarko Tarım Sanayi ve Ticaret A.Ş, one of the Subsidiaries, and Halil Pekdemir Çiftliği Gıda ve İhtiyaç Maddeleri Ticaret ve Sanayi Limited Şirketi; Halil Pekdemir Çiftliği Gıda ve İhtiyaç Maddeleri Ticaret ve Sanayi Limited Şirketi, by partial division, establishing a new company that owns approximately 310,000 m<sup>2</sup> of real estate, including a greenhouse with an area of approximately 120,000 m<sup>2</sup>, and the new company to be established on an area of 8,253.75 hectares in Sarayköy district of Denizli province. A preliminary application was made on 14 July 2023 for the purpose of granting the usage rights for two geothermal hot water wells within the scope of the geothermal resource operation license valid until 15 September 2041 and transferring the shares of the new company to be established subsequently to Alarko Tarım Sanayi ve Ticaret A.Ş.. The purchase of all shares (100%) of Alden Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, which was established by the partial division of Pekdemir, for a consideration of US\$ 12.269.500 in Turkish Lira, and the prepaid amount of US\$ 2.000.000 in advance the Share Transfer Agreement regarding the deduction of the price from the determined share purchase price was signed on 4 August 2023 and the said share transfer transaction was realized on the same date. Alden Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, whose shares were taken over, is within the scope of the geothermal resource operation license valid until 15 September 2041 for the ownership of approximately 310,000 m<sup>2</sup> of real estate, including the greenhouse with an area of 120,000 m<sup>2</sup>, and an area of 8,253.75 hectares province Sarayköy district has the right of use for two geothermal hot water wells located in Denizli.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2023

(All amounts are shown in Turkish Lira (TL) unless otherwise stated)

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#### 30. SUBSEQUENT EVENTS (CONTINUED)

- e) Owned by Alarko Konut Projeleri Geliştirme A.Ş., one of the Subsidiaries; As a result of the zoning practices carried out on our land registered in Istanbul Province, Tuzla District, Orhanlı Mahallesi, 7375 Island 1 parcel, our Logistics Warehouse Project for the said land has been approved by Tuzla Municipality, dated 21 July 2023 and numbered 817/23, with a total construction area of 93,139,11 m<sup>2</sup> (logistics) two separate Construction Permits have been obtained: a construction permit containing a total construction area of 6,030.35 m<sup>2</sup> (outdoor structure / retaining walls) dated 21 July 2023 and numbered 818/23.
- f) With the “Law on the Establishment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6 February 2023, and Amending Certain Laws and Decree Law No. 375” published in the official newspaper dated 15 July 2023, the corporate tax rate was increased from 20% to 25% and the new rate is effective as of July 2023 payment period. With the Presidential Decisions published in the Official Gazette dated 7 July 2023 and numbered 32241, the general VAT rate, which was applied as 18%, was increased to 20%, and the discounted VAT rate, which was applied as 8%, was increased to 10%. These matters are considered as non-adjusting events after the reporting period within the scope of TAS 10 “Subsequent Events” and there is no additional tax accrued and paid.