

Annual Report

2024

Table of Contents

04	Alarko Group of Companies	79	Business Volume and 2025 Perspectives
06	Message from the Chairman of the Board of Directors	80	Taxes Paid and Personnel Expenses
10	Message from the CEO	81	Developments in the Last Five Years
14	Alarko Holding A.Ş. Board of Directors	82	Additional Information Regarding Our Activities
18	Alarko Group of Companies - General Organization	96	Dividend Distribution Proposal
20	Management Team	97	Statement of Compliance with Corporate Governance Principles
22	Financial Indicators	97	Corporate Governance Compliance Report
24	Agenda for the Ordinary General Meeting of Shareholders	102	Corporate Governance Information Form
25	Board of Directors' Annual Report	107	Statement of Compliance with Sustainability Principles
26	Companies of the Alarko Group	109	Sustainability Principles Compliance Framework
30	Contracting Group	116	Auditor's Report on the System and Committee for Early Identification of Risks
40	Energy Group	117	Independent Auditor's Report on the Board of Directors' Annual Report
52	Industry and Trade Group	119	Alarko Holding A.Ş. and Its Subsidiaries Consolidated Financial Statements for the Year Ended 31 December 2024 with Independent Auditor's Report
58	Tourism Group	242	Conclusion
64	Land Development Group	243	Contact
66	Agriculture Group		
72	Investment Group		
76	Capital and Share Ratios of Subsidiaries and Affiliates		
78	Earnings from Subsidiaries and Affiliates		

14.04.2025

FISCAL YEAR, 2024

ORDINARY GENERAL MEETING OF SHAREHOLDERS

REGISTERED CAPITAL

TL 500,000,000

ISSUED CAPITAL

TL 435,000,000

Brand Manifesto

Seventy years and counting, Alarko's journey continues to evolve and expand internationally. Our journey, rich in diversity and driven by a relentless pursuit of excellence, has taught us that true growth never ages. Each day, we renew our commitment to reliability, aspiring not only to thrive financially but also to forge meaningful relationships and create a value ecosystem that positively impacts people, businesses, and societies alike, proudly carrying the values we took from our founders.

As a portfolio company our strength lies in our consistency and reliability, our pioneering identity, and our people and nature-first approach. We understand that our success is deeply intertwined with the well-being of those we serve, including the well-being of the planet we live on. By valuing each individual and nurturing every partnership, we transform our expertise into lasting contributions, making a tangible difference in lives and communities across the globe.

Looking ahead, we remain anchored in the wisdom of our past while boldly embracing the future. Our heritage is more than a record of our achievements; it's a reminder of our responsibility to innovate, adapt, and evolve. We embrace the change with a spirit of flexibility, dynamism, and reliability to never stop exploring and to shape our narrative for the years ahead. As a pioneer in our field, in every endeavor, we aim to stretch beyond the horizon, ensuring that as we continue to grow internationally, we never lose sight of what truly matters for Alarko brand: people, purpose, and delivering sustainable value that stands the test of time.

FROM THE PAST



TO THE FUTURE



At Alarko Holding, we are steadily progressing toward becoming a centennial company, driven by our products, services, and projects that have made a lasting impact in economic, environmental, and social spheres both nationally and internationally over the past 70 years, growing and evolving alongside the Republic.

As a 70-year-old brand, we embrace our responsibility by setting ambitious goals in organization, sustainability, technology, and innovation while embarking on new investments in our journey of growth and transformation.


Our new logo, symbolizing this journey of expansion and transformation, marks the beginning of many more meaningful achievements.





We are shaping a sustainable future by redefining the concept of value...

Founded in 1954 by two visionary young entrepreneurs, Dr. Üzeyir Garih and İshak Alaton, our company has been creating value for our country's economy for 70 years. With major investments in key sectors—from tourism to energy, industry to agriculture, infrastructure projects to aviation—we maintain a strong presence across diverse geographies and employ nearly 6,000 people. We continuously redefine the concept of value in response to evolving global dynamics across all the sectors in which we operate, striving for a sustainable future.



Our journey of success that began with our founders has proudly reached its 70th year



An organization is built on its people. The growth of an organization is a natural result of the productivity of its people. The success and happiness of individuals within an organization depend on their passion for their work.

Dr. Üzeyir Garih



Leaders set goals, define tasks, inspire confidence in those capable of executing them, provide direction and motivation, and share in the success. A manager cannot achieve success without a knowledgeable and skilled team.

İshak Alaton

We will always remember with love and respect...

A diverse service portfolio



Contracting Group

ALSİM ALARKO SANAYİ TESİSLERİ VE TİCARET A.Ş.

- KABATAŞ-MECİDİYEKÖY-MAHMUTBEY METRO PROJECT
- ANKARA METRO ELECTRO-MECHANICAL WORKS AND SIGNALIZATION SYSTEMS CONSTRUCTION PROJECT
- ANKARA METRO ADDITIONAL ELECTRO-MECHANICAL WORKS AND SIGNALIZATION SYSTEMS CONSTRUCTION PROJECT
- ALARKO-CENGİZ METRO JOINT VENTURE KAYNARCA-PENDİK-TUZLA METRO CONSTRUCTION AND ELECTRO-MECHANICAL SYSTEMS SUPPLY, INSTALLATION AND COMMISSIONING PROJECT
- BAKAD GREAT ALMATY RING ROAD PROJECT
- BUCHAREST SOUTH RING ROAD PROJECT LOT-1
- BUCHAREST SOUTH RING ROAD PROJECT LOT-2
- ALARKO-MAKYOL JOINT VENTURE-BUCHAREST INTERNATIONAL AIRPORT METRO CONNECTION 6TH METRO SECTION LOT 1.1



Energy Group

ALTEK ALARKO ELEKTRİK SANTRALLERİ TES. İŞL. VE TİC. A.Ş.

- KARAKUZ DAM AND HYDROELECTRIC POWER PLANT
- GÖNEN HYDROELECTRIC POWER PLANT
- KIRKLARELİ COMBINED CYCLE NATURAL GAS POWER PLANT

MERAM ELEKTRİK DAĞITIM A.Ş.

ALCEN ENERJİ DAĞITIM VE PERAKENDE SATIŞ HİZM. A.Ş.

CENAL ELEKTRİK ÜRETİM A.Ş.

MERAM ELEKTRİK ENERJİSİ TOPTAN SATIŞ A.Ş.

MERAM ELEKTRİK PERAKENDE SATIŞ A.Ş.

ALEN ALARKO ENERJİ TİCARET A.Ş.

ALARKO ENERJİ A.Ş.

UTILITEK BİLGİ TEKNOLOJİLERİ A.Ş.



Industry and Trade Group

ALARKO CARRIER SANAYİ VE TİCARET A.Ş.

- MAIN PRODUCTION PLANT
- HEATING EQUIPMENT PRODUCTION PLANT
- DEALERSHIP SALES ENTITY
- SYSTEM SALES ENTITY
- AFTER-SALES SERVICES ENTITY
- TOTALINE

ALARKO FENNİ MALZEME SATIŞ VE İMALAT A.Ş.

ALARKO HAVACILIK ENDÜSTRİ YATIRIMLARI A.Ş.

ALARKO DİJİTAL TEKNOLOJİ ÇÖZÜMLERİ A.Ş.



Tourism Group

ATTAŞ ALARKO TURİSTİK TESİSLER A.Ş.

- HILLSIDE BEACH CLUB
- HILLSIDE CITY CLUB - ETİLER
- CINECITY - ETİLER
- SANDA SPA (HBC, HCC-ETİLER)



Land Development Group

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

ALDEM ALARKO KONUT İNŞAAT VE TİCARET A.Ş.

AL-RİVA PROJESİ ARAZİ DEĞER. KONUT İNŞ. VE TİC. A.Ş.

AL-RİVA PROJESİ ARAZİ DEĞER. KONUT İNŞ. VE TİC. A.Ş.

AL-RİVA PROJESİ ARAZİ DEĞER. KONUT İNŞ. TURİSTİK TES. GOLF İŞL. VE TİC. A.Ş.

ALARKO KONUT PROJELERİ GELİŞTİRME A.Ş.

TÜM TESİSAT VE İNŞAAT A.Ş.

AO MOSALARKO



Agriculture Group

ALARKO TARIM SANAYİ VE TİCARET A.Ş.

ALSERA JEOTERMAL TARIM GIDA SANAYİ VE TİC. A.Ş.

PALMİRA AGRO GÜBRE SANAYİ VE TİC.A.Ş.

ALARKO GÜBRE FABRİKALARI SAN. VE TİC. A.Ş.

ALARKO GIDA SANAYİ VE TİCARET A.Ş.

GENSEED TOHUM ISLAH VE ÜRETİM A.Ş.

ALBİ BİTKİSEL İLAÇ HAM MADDELERİ ÜRETİM SAN.VE TİC. A.Ş.

SANROSE TARIM SANAYİ VE TİCARET A.Ş.

BEYBUR TARIM VE HAYVANCILIK A.Ş.

NATA TARIM ÜRETİM VE TİCARET A.Ş.

İPEKS JEOTERMAL ENERJİ SANAYİ VE TİCARET A.Ş.

SAMDİ TARIM ÜRETİM VE TİCARET A.Ş.

JEDİ TARIM ÜRETİM VE TİCARET A.Ş.

MEKREDİ TARIM ÜRETİM VE TİCARET A.Ş.

CAMSER TARIM GIDA A.Ş.

SERAF TARIM VE HAYVANCILIK A.Ş.

TOO ALSERA KZ




Investment Group

ALYAT TEKNOLOJİ YATIRIMLARI HOLDİNG A.Ş.

ALSER ALARKO SERMAYE YATIRIMLARI HOLDİNG A.Ş.

Paving the way for the future

We continued creating a positive future impact by combining our experience as a long-standing company with our dedication to innovation and dynamism.



In 2024, while celebrating the 70th anniversary of Alarko Group, we made notable progress not only in investments and growth, but also in sustainability and social contributions.

Distinguished Shareholders,

2024 witnessed significant economic developments both globally and locally. Despite a general improvement in inflation, central banks in advanced economies have yet to fully reach their long-term inflation targets. Therefore, they adopted a more cautious approach to rate cuts, maintaining interest rates at historically high levels for an extended period. As a result, 2024 was marked by persistently high interest rates throughout the year. During this period, interest rate decisions by global central banks led to market fluctuations, while inflation and growth dynamics remained the key factors shaping the direction of monetary policies.

In Türkiye, 2024 was marked by tight monetary policies and high interest rates in the battle against persistent inflation. Due to the effective monetary policy implemented by the Central Bank of the Republic of Türkiye (CBRT), inflation fell to 44% in the last quarter of the year, leading to a period of greater predictability.

In 2024, while celebrating the 70th anniversary of Alarko Group, we made notable progress not only in investments and growth, but also in sustainability and social contributions. Commitment to responsible investment, long-term value creation, and fostering a sustainable future were the driving forces behind every decision we made.

As a long-standing company, we continued creating a positive future impact by combining our experience with our dedication to innovation and dynamism. We have expedited our sustainability transformation across all business groups, aligning with our commitment to achieve net zero emissions by 2050. As a symbol of this commitment, we have started to offset the carbon footprint of our Holding Center in Ortaköy. We initiated a training program called Positive Impact to expand our green-collar task force across our Group.

We are honored to be the first holding to publish a Responsible Communication Policy in Türkiye, outlining tangible strategies with a significant impact in sustainability. We have maintained our commitment to fostering women entrepreneurs and promoting equal opportunities in accordance with the Women's Empowerment Principles (WEPs) signed by our organization.

Our Energy Group continued to grow by increasing its investments and expanding its activities in the renewable energy sector, which is the trend of the future. We have taken steps to add a 4.5 MW solar power plant to the existing Karakuz Hydroelectric Power Plant. We continue to invest in energy storage systems, which have become an integral part of our lives alongside renewable energy. In the upcoming period, we will keep seeking renewable energy-based projects in Türkiye and abroad that align with our investment criteria.



We are focused on sustainability

Our Tourism Group carried its work focused on environment, people and local support to the highest level by receiving 11 international certificates in sustainable tourism.



Palmira Agro, a subsidiary of the Alarko Agriculture Group, commenced its operations in September 2024 as Europe's largest new generation microgranular fertilizer plant equipped with the world's first hybrid production technology.

Reflecting this perspective, approximately 30% of the energy distributed by our Energy Distribution Company, MEDAŞ, was generated from renewable sources. MEDAŞ is one of the distribution companies with the lowest non-revenue electricity ratio and it continued to invest in the replacement and expansion of its distribution network in 2024. We achieved remarkable success in supplying uninterrupted power to our subscribers by reducing outage times from an average of 40-45 minutes to less than 3 minutes by reaching 1,700 SCADA stations in our distribution area in 2024. In 2025, through innovative solutions and investments focused on sustainability, we will continue to respond to the needs of society by improving the quality of our services.

MEPAŞ, our energy sales company, is continuing its efforts to improve the quality of its services to customers. As part of its inclusion projects, it began providing bill notifications to visually impaired customers via automated voice response system (IVR) calls instead of paper bills. MEDAŞ, which has received several awards for its hard work, will start responding to customers immediately through the artificial intelligence project launched in 2024.

Our Tourism Group, a pioneer in its field with our Hillside brand, is rapidly progressing with the 800-bed capacity hotel project in Bodrum Gündoğan. Meanwhile, our Fethiye Hillside hotel has once again demonstrated its international success by being awarded the "Conde Nast Traveller Best Reader's Choice 2024," "British Airways Excellence

in Guest Satisfaction," "Haute Grandeur Best Family Resort on a Global Level," "Best Eco-Friendly Resort in Europe," and "World Luxury Awards Best Luxury Sustainable Resort in Turkey." Committed to sustainable tourism practices, our Group has elevated its environmental, social, and local support initiatives to the next level with 11 international certifications in this area.

Our Agriculture Group continued to grow with investments exceeding USD 300 million throughout 2024. It has successfully retained its reputation for producing clean and safe food, as evidenced by its "No-Residue" certified products, which have been approved by EU-accredited independent laboratories. We have reached a total of 1,250 decare of greenhouse operation area in Afyonkarahisar, Denizli, and Eskişehir as part of our modern greenhouse investments. While our current investments and ongoing infrastructure development for smart agricultural technologies continue in these three provinces of Türkiye, we have initiated a 400-decare greenhouse project in Kazakhstan. Palmira Agro, a subsidiary of the Alarko Agriculture Group, commenced its operations in September 2024 as Europe's largest new-generation microgranular fertilizer plant equipped with the world's first hybrid production technology. Our plant, which is located in Çankırı Yakıncık Organized Industrial Zone (OIZ) on an area of 26,500 square meters, is fully equipped with environmentally friendly technologies and has an annual production capacity of 12,000 tons. Alarko Food Industry has tripled its capacity by moving its Mersin plant to

the new location in Konya Ereğli OIZ with a closed area of 12 thousand square meters on an area of 49 thousand square meters. In 2024, we invested in a total of 200 decares for seed breeding, including 100 decares in Eskişehir-Mahmudiye and 100 decares in Antalya-Karaöz. This investment was made to ensure the availability of a diverse range of seeds for both soil and soilless agricultural use.

At the end of 2023, we decided to relocate the operations of Alarko Carrier's Heating Equipment Production Facility at the Istanbul Dudullu Organized Industrial Zone. Since the beginning of 2024, we have been producing combination boilers, condensing boilers, heat pumps, and circulation pumps in our new plant in Eskişehir OIZ with an indoor area of 13,000 square meters on a 22,500 square meters land.

We continue producing air handling units, rooftop air conditioners, and fan-coil units in our existing Gebze Plant. In 2024, Alarko Carrier, solidified its position as a leader in the sector by being recognized as the top exporter of air handling units, fan coils, and rooftop air conditioners category for 12 consecutive years. It also continued to expand its product line with the launch of the Daisekai10 series of high-end air conditioners. Alarko Carrier allocates substantial financial resources to research and development, with a focus on developing eco-friendly solutions that conserve natural resources and optimize product efficiency.

Our Contracting Group completed and put into service the 17 km second phase of the Bucharest Road Project in Romania. The first phase of the project had already been completed earlier. In the 6th section of the Romania Bucharest International Airport Metro Project, 6.3 km tunnel construction and the preliminary construction of six stations along the line have started. Meanwhile, we are managing the ongoing 15-year

operations and maintenance program for the Kazakhstan BAKAD Almaty Ring Road Project, which has been fully implemented and brought into service.

Our Contracting Group, which supports our investments in the agricultural sector with its construction expertise and project management services, completed the Dry Food Production and Storage Plant and the Micro Granular Fertilizer Plant in Çankırı in 2024 for Alarko Agriculture. Our Contracting Group is also successfully building greenhouses in Shymkent, Kazakhstan, and we believe that with our modern construction technology, it will become one of the leading companies in the greenhouse construction sector.

Last year, thanks to our visionary perspective at Alarko, we quickly adapted to the changing dynamics of the business world and made innovative investments that contributed to the development of our country. In 2025, we will continue to bring our new investments and digitalization projects to life, in line with our sustainable growth targets, while maintaining our commitment to taking responsibility for our community and the planet.

In this year, as we celebrate our 70th anniversary, I would like to extend my thanks to all our shareholders, customers, business partners, and employees who contributed to our successful financial results.

I wish that 2025 brings health, happiness, abundance, prosperity, success, and good luck to our world, our country, and all our stakeholders.

With love and respect,

İzzet Garih
Chairman of the Board of Directors

Last year, thanks to our visionary perspective at Alarko, we quickly adapted to the changing dynamics of the business world and made innovative investments that contributed to the development of our country.

Responsible business models

We continued to support national climate targets, circular economy, and renewable energy transition through our innovative investment initiatives, technological transformation, digitalization efforts, R&D investments, and responsible business models.

42.5
Million
US Dollars
Size of Alarko
Investment
Group Funds

Distinguished Shareholders,

This report, in which we share our activities in 2024, holds special significance for us as it marks the 70th anniversary of Alarko Holding. Founded during the early years of the young Republic of Türkiye, when industrialization and development efforts were underway, Alarko Holding has grown and strengthened alongside the Republic over the years. For 70 years, we have not only proudly represented our country on the global stage, but also led development and transformation through our innovative investments, technology, innovation, and R&D efforts. We prioritize sustainability, social development, and inclusion, striving to exceed our responsibilities in these areas.

We take pride in preserving and advancing 70 years of knowledge, experience, and social awareness, and we are delighted to see the founding values of Alarko Holding embraced by the new generation of employees.

2024 was a year of challenging uncertainty due to global developments. We had elections all around the world. During this unprecedented period in history, nearly half of the world's population voted in 64 countries, according to the United Nations, all within a single year. The election results had an impact not only on the local economy but also on the global economy, diplomacy, and geopolitical developments.

While Donald Trump won the presidency again in the U.S. presidential elections, his party's dominance in Congress resulted in a shift in the U.S. stance on many issues. This shift signals the beginning of a more protectionist era in global trade and economic policies.

2024 will also be remembered as a year of recovery following global economic challenges caused by the pandemic, disruptions in world supply chains, and increases in energy and food prices. According to the OECD, the world economy grew by 3.2%. While the US economy grew by 2.8%, volatility in financial markets and banking crises posed challenges to economic stability. While inflation rates, particularly in developed countries, were being brought under control, the ongoing crisis and volatility threatened economic stability. While annual inflation in the US was 2.7%, this rate declined to 2.2% in the Euro Zone. The recession and energy crises in major economies like Germany negatively impacted the overall performance of the European Union, while the Russian-Ukrainian war and uncertainties surrounding energy supply hindered economic activity.

Global growth slowed to 3.2% in 2024, down from 3.3% in 2023. China's economy also followed this trend, recording a growth rate of 4.9%. On the other hand, the service sector attempted to counterbalance the slowdown in the manufacturing industry.

The positive effects of the economic policies implemented decisively in our country became more apparent, particularly after the local elections. One of the most significant achievements of the new economic program has been the substantial reduction of the current account deficit. The tight monetary policy implemented by the Central Bank of the Republic of Türkiye helped boost confidence, leading to reserves reaching an all-time high of USD 163.5 billion by year-end 2024. The five-year credit default swap (CDS) dropped to its lowest level since February 2020. This recovery led to economic growth of 3.2%.



Investments focused on creating a positive impact

From tourism to energy, industry to agriculture, infrastructure projects to aviation, and investment, we not only generate economic value in key development sectors but also drive social progress and regional prosperity.

We aim to secure a position in the top three global greenhouse operators, with a total investment of 10,000 decares and an estimated investment of 1.1 billion dollars.

All the economic and humanitarian reports published throughout the year have once again highlighted the critical importance of sustainable development for our shared future. In the World Economic Forum's (WEF) Global Risks Report, climate change once again emerged as the most significant risk facing humanity. Extreme weather events, critical shifts in Earth's systems, biodiversity loss and ecosystem collapse, natural resource scarcity, and pollution ranked among the top ten most severe risks anticipated over the next decade.

Artificial intelligence applications and breakthroughs were among the most significant topics of 2024. As artificial intelligence became a priority in the digitalization efforts of all institutions, it also started providing significant solutions to fundamental challenges such as combating climate change, optimizing resource efficiency, and fostering social development.

At Alarko Holding, while making decisive strides in our focus areas-economy, technology, people, and planet-sustainability remained our top priority in 2024. We continued to support national climate targets, circular economy, and renewable energy transition through our innovative investment initiatives, technological transformation, digitalization efforts, R&D investments, and responsible business models.

We are driven by a vision to create multidimensional value for our country's economic growth, social development, and the sustainability of our world. To that end,

we have added agriculture, aviation, and energy storage systems to our strategic sectors. We have outlined a strategy focused on reaching our 2050 Net Zero target through impact-driven investments.

Today, we have the largest modern greenhouse area in Türkiye. We are driving sectoral transformation with our sustainable business model, utilizing geothermal resources in greenhouses through a circular approach. By 2028, we aim to expand our greenhouse operations in Türkiye to 5,000 decares. In addition to our investments in Türkiye, we also run our greenhouse operations on a global scale. To achieve this, we have started building a greenhouse in Kazakhstan covering an area of 5,000 decares. We aim to secure a position in the top three global greenhouse operators, with a total investment of 10,000 decares and an estimated investment of USD 1.1 billion.

Energy storage systems are key to countries' transition to renewable energy. Storing energy from renewable sources in a clean and environmentally friendly manner and supplying it to the grid on demand plays a crucial role in enhancing energy security and reducing costs. As part of our strategic roadmap, Altek Alarko, our Energy Group Company, is actively working to establish energy storage systems and a lithium-ion battery production line in Türkiye. With this investment, we aim to reduce foreign dependency on energy, prevent energy crises, and ultimately support our country's Net Zero target.

Our sustainability approach remains a key driver across all sectors in which we operate. Our Hillside brand has achieved international success, setting itself apart with its high-quality services in the tourism sector, a key driver of our country's development. We plan to expand Hillside into a hotel chain by 2030, with our ongoing hotel construction in Bodrum and upcoming investments.

Alarko Contracting Group carries out commercial projects that influence both the economy and social life in Türkiye and beyond. Alarko Industry and Trade Group, the export champion for twelve consecutive years, offers a comprehensive range of production, import, sales, and after-sales services for heating, cooling, ventilation, and water pressurization, supported by its extensive network of 272 dealers and 306 service locations across Türkiye.

Alarko Investment Group manages USD 42.5 million in assets, investing in publicly traded and private companies, as well as start-ups that excel in their fields, align with the Group's business strategy, foster growth, and hold strong development potential.

From tourism to energy, industry to agriculture, infrastructure projects to aviation, and investment, we not only generate economic value in key development sectors but also drive social progress and regional prosperity. We uphold high standards in environmental and social areas by executing projects aligned with global sustainability criteria. With our responsible investment approach, we want to set an example in our country and around the world. In collaboration with our Holding headquarters and Group companies, we carry out various social responsibility projects in education, gender equality, women's entrepreneurship, local supplier support, biodiversity, the environment, culture, and the arts, striving to expand and diversify our collective positive impact.

As we take concrete steps toward making gender and opportunity equality the norm in our country through our core projects in 2024, we have reinforced this commitment by signing the internationally recognized Women's Empowerment Principles (WEPs). Through our "Young Teachers, the Future of the Republic" project, in collaboration with the Teachers Academy Foundation (ÖRAV), we provided scholarships and training support to 100 young female teacher candidates. As part of our Pioneers of Entrepreneurship Program, in collaboration

with the Habitat Association, we have provided training to 1,700 women entrepreneurs on various topics. In 2025, we will continue to support women entrepreneurs by expanding the reach of this program, which also provides grants to business ideas that make a difference.

In 2024, we were proud to be part of the board of directors of SKD Türkiye (Sustainable Development Association), one of the country's most important initiatives. In line with our net-zero targets, we made our Ortaköy headquarters, one of Istanbul's iconic buildings, carbon-neutral by acquiring Gold Carbon Credits and I-REC certification. We took a firm stance against greenwashing, which we consider a significant barrier in the fight against climate change, and became the first holding in Türkiye to publish a Responsible Communication Policy. While guiding our Group companies in the field of sustainability, we launched our "Positive Impact" green-collar program to enhance our capabilities in this area.

Being a 70-year-old brand is a significant accomplishment, not only for our country but also on the global stage, and we view this as a great responsibility. Successfully carrying this responsibility forward is only possible through the ability to transform. We have the courage to continuously reinvent ourselves in response to the evolving dynamics of the times. Launched in 2024, we believe that our new logo and motto, 'Value: Redefined' powerfully embody this perspective.

Starting in 1954 with the bold steps of the late Dr. Üzeyir Garih and İshak Alaton at Istanbul's Bankalar Caddesi Vefai Inn, this journey has now celebrated its 70th year. Today, Alarko is confidently moving forward to become one of the strong, century-old institutions of our Republic, with its identity as an international portfolio company. Our philosophy has not changed since the very first day. Quality, trust and dignity will continue to be our most important corporate values in the future, just as they were yesterday.

We would like to express our gratitude to all our stakeholders for joining forces with us on this meaningful journey.

Yours sincerely,

Ümit Nuri Yıldız
Alarko Holding, CEO

Being a 70-year-old brand is a remarkable achievement not only for our country but also on a global scale, and we see this as a profound responsibility.

Alarko Holding A.Ş. Board of Directors**İzzet GARIH**
Chairman

Born in 1961 in İstanbul, Mr. Garih graduated from the Department of Industrial Engineering of Michigan University, Ann Arbor, USA in 1983. He completed his Master's Degree in the field of Construction Engineering and Management at the same university in 1984. He worked as an engineer and manager in various projects at Alarko Land Development and Construction Group in 1987-2002. From 2002 to 2007, he was the Chairman of the Board of Directors at Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. and Vice-Chairman of the Board of Directors at Alarko Holding A.Ş. in 2004-2015. He has been the Chairman of the Board of Directors at Alarko Holding A.Ş. since 2015. Married with three children, Mr. Garih speaks English. İzzet Garih does not have eligibility for independence as of the Capital Markets Board Communiqué Numbered II-17.1.

**Vedat Aksel ALATON**
Vice Chairman of the Board

Vedat Aksel Alaton was born in 1963, in İstanbul. He graduated from the Industrial Engineering Faculty of Northeastern University, USA in 1987. After working in Project Planning for one year in Hawker Siddeley he returned to Türkiye and worked in Project Planning in Alamsaş (1988-1989), Alsim Alarko Contracting Group's various projects as Project Planning Engineer, Field Control Engineer and Site Engineer (1989-1990) and as General Manager for Alnor Seafood Products Company (1990-1991). He became Deputy Executive Vice President of Alarko Contracting Group in 1991 and Managing Director of Alarko Holding A.Ş. in 1995. He became a Member of the Board of Alarko Holding A.Ş. in 2000 and has been Vice Chairman of the Board of Alarko Holding A.Ş. since 2004. He speaks English and has three sons. Vedat Aksel Alaton does not have eligibility for independence as of the Capital Markets Board Communiqué Numbered II-17.1.

**Ümit Nuri YILDIZ**
Member of the Board, CEO

Ümit Nuri Yıldız was born in Erzurum in 1966. He graduated from the Department of Business Administration, Faculty of Political Sciences of Ankara University in 1986. He obtained his MSc degree from University of Illinois. In 1987, he started working as Assistant Auditor at Board of Auditors of the Ministry of Finance. Yıldız continued to work in the Ministry as Auditor and Chief Auditor until 1997. He was appointed Deputy General Manager of the Turkish Employment Organization in 1997. He resigned from his position and joined the Alarko Group of Companies in 1998. Yıldız who is presently working as the CEO of Alarko Holding A.Ş. is also a member of the Board of various companies within the group. Yıldız speaks English and is married with two children. Ümit Nuri Yıldız does not qualify as independent director according to the Capital Markets Board Communiqué Numbered II-17.1.



Leyla ALATON **Member of the Board**

Leyla Alaton was born in İstanbul in 1961. She graduated from the Business Administration and Management Faculty of Fairleigh Dickinson University, New Jersey, USA. She completed her Master's Degree in Social Sciences at the University of New York. Upon returning to Türkiye in 1986 she first worked as assistant to Dr. Üzeyir Garih. Later, she conducted the Publicity and Marketing of the Alkent - Etiler Uyduşehir and the Alsit Villakent projects. In 1992, she was elected "Businesswoman of the Year" by the National Productivity Center. In 1993, she was among the Leaders of the Future selected for the first time at the Davos World Economic Forum. In 1993, she founded her own company, Megatrend Public Relations Consultancy Company and gave consultancy to global giants such as Aerospatiale and Alcatel. Leyla Alaton is currently Board Member of Alarko Holding A.Ş. and board member of various non-governmental organizations and has the French Order of Legion d'Honneur. She has two children and speaks English and French. Leyla Alaton does not have eligibility for independence as of the Capital Markets Board Communiqué Numbered II-17.1.



Niv GARIH **Member of the Board**

Born in 1981, Niv Garih graduated from New York University, Stern School of Business, Department of Finance and International Business Administration with honors in 2006. Mr. Garih worked in JP Morgan's Asset Management division in New York from 2006 to 2008. He later returned to Türkiye in 2009 and started working at Alarko Holding A.Ş.'s Business Development, Feasibility and Valuation departments. He directed Investor Relations department of Alarko Holding A.Ş. and its subsidiaries between 2014-2018. He has been a member of the Board of Alarko Holding A.Ş. since 2014. He was also elected as the Chairman of the Board of Alarko Carrier San. ve Tic. A.Ş. in April 2017. Niv Garih is married, has three children and speaks English and French. Niv Garih does not have eligibility for independence as of the Capital Markets Board's Communiqué II-17.1.



Ayhan YAVRUCU **Member of the Board**

Ayhan Yavrucu was born in 1948, in the Develi district of Kayseri. Mr. Yavrucu graduated from the Faculty of Political Sciences of Ankara University in 1972. He started to work at the Ministry of Finance, Tax Inspectors Board as Deputy Tax Inspector the same year and worked as a Tax Inspector until 1977. Mr. Yavrucu joined Alarko Group of Companies on March 1, 1977 and has served in various levels in the Group. Between 1994 and 2018 he was the CEO of Alarko Group of Companies. Mr. Yavrucu is currently a Board Member of Alarko Holding A.Ş. and he is the Chairman of the Board of various companies of the Group. He speaks English, is married and has two children. Ayhan Yavrucu does not have eligibility for independence as of the Capital Markets Board Communiqué Numbered II-17.1.

Alarko Holding A.Ş. Board of Directors



LALE ERGİN **Independent Board Member**

After graduating from Middle East Technical University with an MS Business Administration degree in 1996, Ms Ergin completed the Executive MBA program at Koç University in 2001. In her 23 years of professional experience at the Borusan Group, she has established the strategy, business development, M&A and innovation functions groupwide and assumed the leadership role in all these functions for many years. As part of this role, she was responsible from the preparation and management of the Group portfolio strategy, management of the new business development projects, assessment of the step growth investment feasibilities, management of the merger, acquisition, divestment and partnership projects of the whole Group companies and incubation of new innovative, disruptive business models. She also led the digital transformation project among the Group. Ms. Ergin has been appointed as one of the 3 Executive Committee members as of the beginning of 2018 and she has assumed direct responsibility of 4 Group subsidiaries, namely Borusan Lojistik, Borusan EnBW Enerji, Supsan and Borusan Mannheim as the Executive Board Member in all these companies. She was also a long-term board member at many of the Borusan Group subsidiaries. She has joined ESA Esports & Media, which operates in the esports and video games industry, as CoFounder and CEO in 2020. ESA, a new media entertainment platform that produces content in the field of 2 esports and video games, also operates as the biggest independent esports organization company in Türkiye with offline and online esports tournaments organized in its own esports arena. Ms. Ergin is also an Independent Board Member at Turcas Petrol, Mondi Corrugated Turkey and Logo Yazılım companies. Ms. Ergin meets the independence criteria specified in Communiqué No. II-17.1 of the Turkish Capital Markets Board.



Att. Med. Nihal MASHAKİ **Independent Board Member**

Born in Amman/Jordan in 1980. She holds an undergraduate degree in law from Galatasaray University. She started her career in 2005 as a lawyer and moved in 2008 to the financial services sector where she established and ran the Board General Secretariat and various committees under the Board of Directors in Türkiye Finans Bank as the Director of Corporate Governance and Company Secretary and later headed the legal advisory and litigation as the Chief Legal Officer. She was nominated for "the Best Company Secretary of The Year" award by the Institute of Chartered Secretaries and Administrators (ICSA), London UK in 2016 with her corporate governance transformation project. In 2018, Ms. Mashaki moved to Şişecam as an Advisor to the Group CEO. She managed both local and the global projects on corporate governance and compliance. Subsequently in 2021 she advised the Group CEO of Karadeniz Holding with designing the governance framework for energy group Karpowership. Mashaki is actively advising global listed companies with focus on operational excellence of the board and committees, streamlining decision-making processes and controls within intracompany and translating corporate governance and sustainability ambitions into concrete plans to meet goals within group companies. Since 2012, she is a member of Corporate Governance Association of Türkiye

(TKYD). She obtained professional certificates from London Business School, ICSA, EM and IFC on leadership, corporate governance, company secretary and sustainability. She has been part of the IFC sustainability and corporate governance trainer to trainer (ToT) program since 2019. She has been supporting the project re promotion of gender diversity on corporate boards in Türkiye that was led by European Bank for Reconstruction and Development (EBRD) since 2020, as a member and co-chairwoman of the committees. She is a Board member and a professional trainer in Corporate Governance Association of Türkiye. She is also a founding executive member of CGAT International Corporate Governance Institute. Mashaki speaks English, French, Turkish and Arabic. She is registered to Istanbul Bar and certified mediator. Ms. Mashaki meets the independence criteria specified in Communiqué No. II-17.1 of the Turkish Capital Markets Board.



İzzet Cemal KİŞMİR Independent Board Member

Cemal Kışmir, who has over 25 years of experience in the financial services industry, joined TEB in 2005 as Vice Chairman. Since 2011, he has been serving as the CEO of BNP Paribas Cardif Turkey Insurance Group and the Head of Investment Solutions for BNP Paribas Group in Turkey. Prior to joining BNP Paribas Group, he held various senior management positions at Garanti Bank from 1996 to 2005. In the early years of his career, he worked at Mobil Oil in various roles both in Türkiye and abroad. In addition to his current positions, he serves as a Board Member of TEB Portfolio Management, as well as a Board Member of the Turkish Insurance Association and the EGM. Kışmir holds a degree in Finance from the Faculty of Business Administration at Marmara University and an MBA in International Finance from the Barney School of Business in the United States. He has also completed the Executive Education Program at Harvard Business School. Mr. Kışmir meets the independence criteria specified in Communiqué No. II-17.1 of the Turkish Capital Markets Board.

AUDITOR

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

INDEPENDENT AUDITOR

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

* The audit covers the accounting period 01.01.2024-31.12.2024.

The term of office for the Board Members is between 27.05.2024 and 27.05.2025.

Alarko Group of Companies - General Organization

MANAGEMENT COMMITTEES

Chief Financial
Officer
**Mehmet
AHKEMOĞLU**

Chief Strategy
Officer
Alpaslan SERPEN

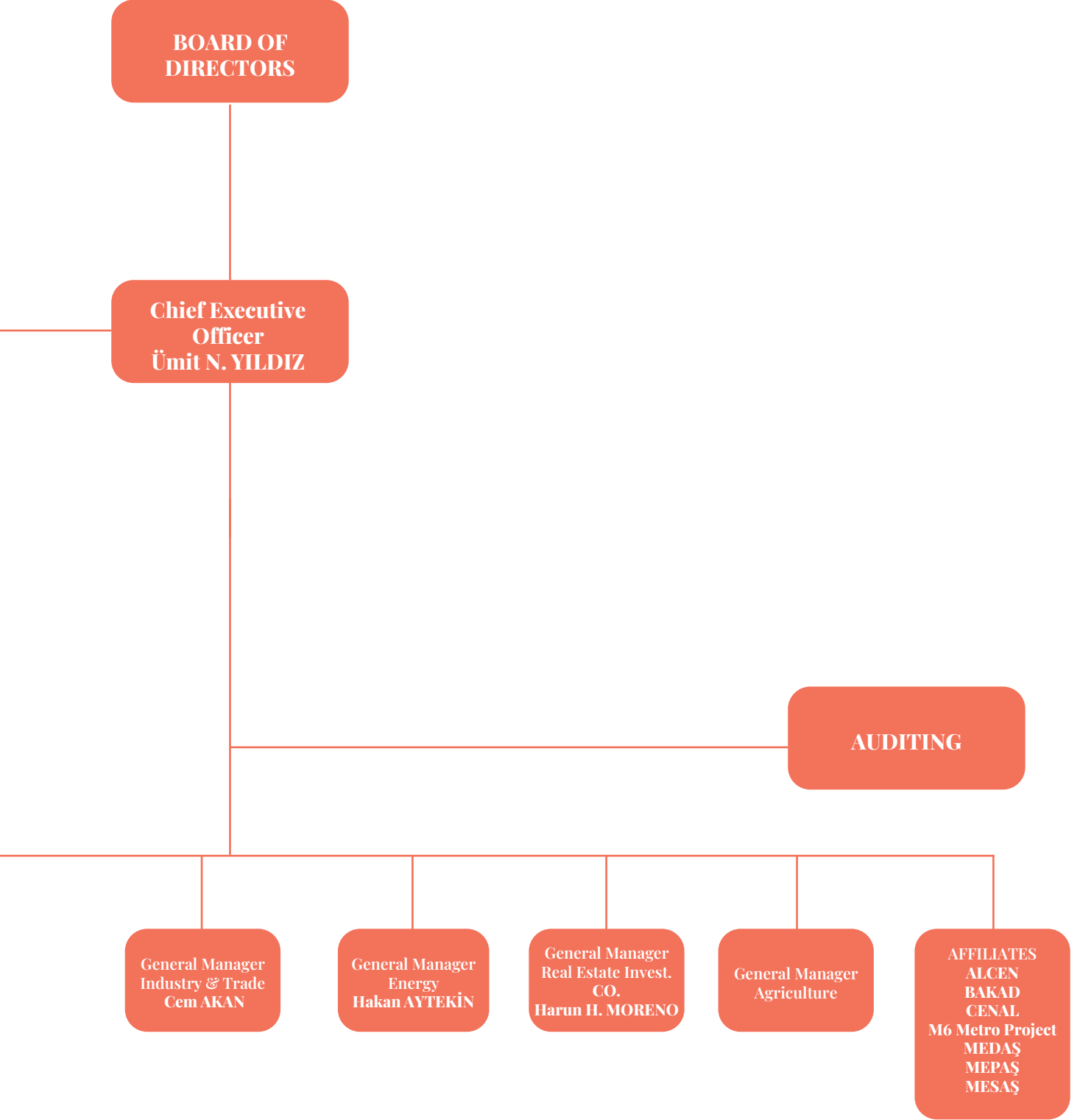
Chief People
Officer
Pınar YAMANER

Chief Information
Officer
Serkan DEMİR

General Manager
Contracting
Ümit BORAN

General Manager
Tourism
Edip İLKBAHAR

*Organizational level is limited to the «General Manager» level in this chart.



Management Team

CHAIRMAN OF THE BOARD

İZZET GARIH

VICE CHAIRMAN OF THE BOARD

VEDAT AKSEL ALATON

CHIEF EXECUTIVE OFFICER

ÜMİT NURİ YILDIZ

GROUP LEADER

MEHMET AHKEMOĞLU	CHIEF FINANCIAL OFFICER
ALPASLAN SERPEN	CHIEF STRATEGY OFFICER
PINAR YAMANER	CHIEF PEOPLE OFFICER
SERKAN DEMİR	CHIEF INFORMATION OFFICER

GENERAL MANAGERS

EDİP İLKBAHAR	TOURISM
EROL UÇMAZBAŞ	MEDAŞ
İLKER ARSLANARGUN	MEPAŞ
ÜMİT BORAN	CONTRACTING
CEM AKAN	INDUSTRY & TRADE
HAKAN AYTEKİN	ALTEK
HARUN H. MORENO	ALARKO REAL ESTATE INVEST

COMPANY GENERAL MANAGER

ÖMER BİLGİN	PALMİRA AGRO
-------------	--------------

BUSINESS MANAGER

İHSAN ACAR	CENAL
------------	-------

PROJECT COORDINATOR

H. LÜTFÜ ŞATVAN	AGRICULTURE-ALARKO GIDA
-----------------	-------------------------

DEPUTY GENERAL MANAGERS

GÖKMEN ÜLGİN	CONTRACTING - ROMANIA BUSINESS DEVELOPMENT AND CONSTRUCTION
NECATİ AKGÜN	CONTRACTING - FINANCE AND ADMINISTRATION
SERKAN YUNUSOĞLU	CONTRACTING - HEAD OFFICE
HIRANT KALATAŞ	INDUSTRY & TRADE-COMMERCIAL PRODUCTS EXPORT SALES AND AFTER SALES SERVICES
MURAT ÇOPUR	INDUSTRY & TRADE-FACTORIES
KORAY FEDAR	INDUSTRY & TRADE-DEALERSHIP, DOMESTIC SYSTEM SALES AND MARKETING
K. HAYATİ ÇATBAŞ	ALTEK - TRADE
HALİL COŞKUN TUNCEZ	MEDAŞ - REGULATION AND CONSUMER SERVICES
ETHEM KONAR	MEDAŞ - INVESTMENTS
SÜLEYMAN KIRIŞIKOĞLU	INFORMATION TECHNOLOGIES AND PLANNING
YAKUP AKALP	MEDAŞ -FINANCIAL AND LEGAL AFFAIRS
ÖZKAN ECEVİT	CENAL - FİNANCIAL AND ADMINISTRATIVE AFFAIRS
AYHAN ARI	TOURISM - FINANCE AND ADMINISTRATION
ÖZGÜR ÇAĞAN ŞİMŞEK	TOURISM - OPERATIONS AND ORGANIZATION
SERKAN MEKİKOĞLU	TOURISM - BUSINESS DEVELOPMENT AND MARKETING
ÖZER AYHAN	AGRICULTURE-ALSERA-TECHNICAL OPERATIONS
MURAT YILMAZ	AGRICULTURE-ALSERA-SALES
OKTAY ELİ	AGRICULTURE-BUSINESS DEVELOPMENT AND PROJECT FINANCE

DIRECTORS

BEYTULLAH DEMİR	HOLDING - BUDGET & FINANCIAL ANALYSIS
MELİS AYLIKÇI BERBER	HOLDING - CONSOLIDATION AND REPORTING
ÖZGÜR KALYONCU	HOLDING - INVESTOR RELATIONS
SÜLEYMAN SAMİ İNAL	HOLDING - FINANCIAL AFFAIRS
TUĞBA DEMİREL	HOLDING - STRATEGY AND BUSINESS DEVELOPMENT
CANAN COŞKUN	HOLDING - CORPORATE COMMUNICATIONS AND SUSTAINABILITY
AYMAN ZHANUZAKOVA	CONTRACTING – BAKAD SPV
ENDER BAŞAR	CONTRACTING – BUCHAREST SOUTH RING ROAD PROJECT
ERTUĞRUL AYDIN	CONTRACTING – RAIL SYSTEMS
ERTUĞRUL IRMAK	CONTRACTING – ACCOUNTING AND FINANCE
İSMAİL EROĞLU	CONTRACTING - KABATAŞ – MAHMUTBEY METRO PROJECT
MEHMET EMRE AKSU	CONTRACTING – PROPOSAL AND BUSINESS DEVELOPMENT
CEVDET SUNAY BİNGÖL	INDUSTRY & TRADE – SYSTEM SALES
BEGÜM ÖĞÜT	INDUSTRY & TRADE - R&D
ÇAĞLAYAN SARAYOĞLU	INDUSTRY & TRADE – PEOPLE AND ORGANIZATION
ERKAN TUNCAY	INDUSTRY & TRADE - AFTER SALES SERVICES AND SPARE PARTS
YÜKSEL PINAR	INDUSTRY & TRADE – DEALERSHIP SALES
GÖKHAN ALDİNÇ	INDUSTRY & TRADE - SUPPLY CHAIN
VOLKAN ARSLAN	INDUSTRY & TRADE - MARKETING
CEM ÇELİKÖRSLÜ	INDUSTRY & TRADE – QUALITY AND PROJECT MANAGEMENT
İBRAHİM ETHEM TOPGÜL	INDUSTRY & TRADE - INFORMATION TECHNOLOGIES
NİHAT AKSÜT	ALTEK-ELECTRICITY STORAGE SYSTEMS
FATİH YETİMOĞLU	MEPAŞ - CUSTOMER SERVICES AND OPERATIONS
HASAN ONGUN	MEPAŞ - INFORMATION TECHNOLOGIES AND BUSINESS DEVELOPMENT
MEHMET AŞÇI	MEPAŞ - BILLING & DEPT FOLLOW-UP
SAMİ ACET	MEDAŞ- FINANCIAL AFFAIRS
ASLI ORHON	TOURISM – PUBLIC RELATIONS
CEYDA ABİK	TOURISM – MARKETING
HANDE ARSLAN	TOURISM – HUMAN RESOURCES
ÖMER DEMİR	TOURISM – INFORMATION TECHNOLOGIES AND SYSTEMS
ÖMER ÜLKE	TOURISM – BUSINESS DEVELOPMENT AND COMMERCIAL
ALİ MURAT KUTBAY	AGRICULTURE- INFORMATION TECHNOLOGIES
SELÇUK PARALI	AGRICULTURE – FINANCIAL AFFAIRS
TUĞÇE YILMAZ	AGRICULTURE – PEOPLE AND ORGANIZATION
TANER OLÇUM	AGRICULTURE –MARKETING AND CORPORATE COMMUNICATIONS

PROJECT MANAGERS, ASS. PROJECT MANAGERS, CLUB MANAGERS, FACTORY MANAGERS

AYHAN KALAYCI	CONTRACTING – PROJECT MANAGER
ERDOĞAN VARLIK	CONTRACTING – PROJECT MANAGER - BAKAD PROJECT
GÜNAY GÖKALP	CONTRACTING-PROJECT MANAGER-BAKAD PROJECT-SHYMKENT GREENHOUSE PROJECT
JEAN MARIUS IONITA	CONTRACTING – PROJECT MANAGER - BUCHAREST SOUTH RING ROAD PROJECT
MEHMET EKİCİ	CONTRACTING – PROJECT MANAGER - ANKARA METRO PROJECT
MIHAI ANDRONIE	CONTRACTING – PROJECT MANAGER – ROMANIA METRO PROJECT
ÖZAY GÜLYAR	CONTRACTING – ASS. PROJECT MANAGER - BUCHAREST SOUTH RING ROAD PROJECT
SALİH MURAT KARAOSMANOĞLU	CONTRACTING – ASS. PROJECT MANAGER – SHYMKENT GREENHOUSE PROJECT
AHMET ÖZGÜN ÇOLAK	INDUSTRY & TRADE - FACTORY MANAGER - ESKİŞEHİR
Ş. BORA NALBANTOĞLU	INDUSTRY & TRADE - FACTORY MANAGER – GEBZE
ALKAN ŞEKER	TOURISM – HILLSIDE CITY CLUB
CÜNEYT ÇAKALEL	TOURISM – HILLSIDE BEACH CLUB
YUNUS EMRE SEVİMAY	AGRICULTURE - PALMIRA AGRO- FACTORY MANAGER

Effective fiscal policies

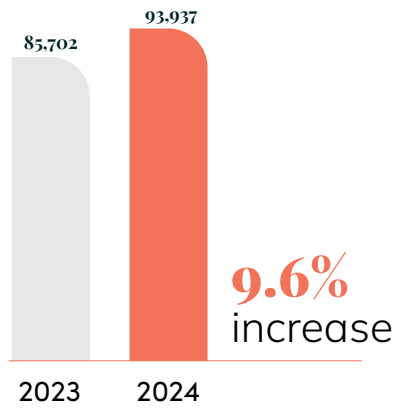
Alarko Holding achieved outstanding operational and financial outcomes with its effective fiscal policies, prudent risk policies, and digitalization strategy.

Summary Statement of Financial Standing (TL million)	Independently Audited, 31.12.2024	Independently Audited, 31.12.2023
Total Assets	93,937	85,702
Current Assets	19,440	22,675
Fixed Assets	74,497	63,027
Total Liabilities	93,937	85,702
Short-Term Liabilities	19,033	19,008
Long-Term Liabilities	10,201	3,243
Shareholders' Equity	64,703	63,451

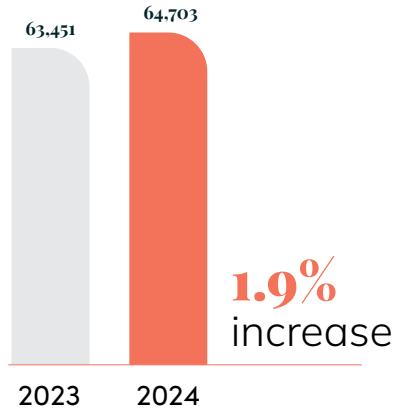
Summarized Profit or Loss Statement (TL million)	31.12.2024	31.12.2023
Revenues	7,598	11,978
Gross Profit	324	994
Operating Profit/(Loss)	(123)	4,054
Profit/(Loss) for the Period	2,721	9,845
Profit/(Loss) for the Period - Parent Company Shares	1,757	9,566

Ratios	31.12.2024	31.12.2023
Current Ratio	1.02	1.19
Liquidity Ratio	0.81	0.99
Cash Ratio	0.46	0.25
Debt-to-Total Assets Ratio	0.31	0.26

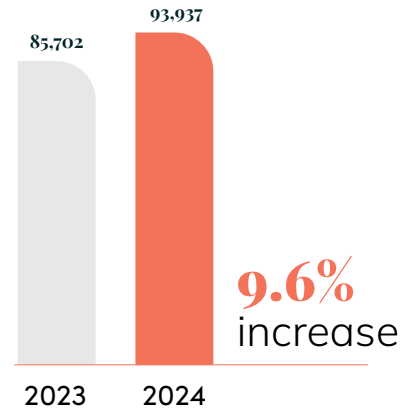
Total Assets (TL million)



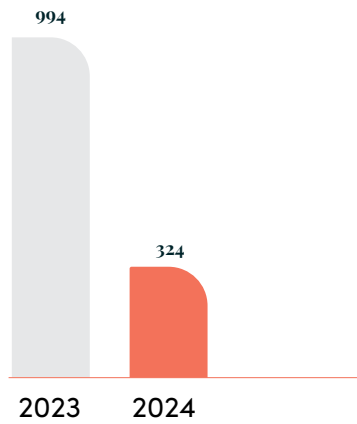
Shareholders' Equity (TL million)



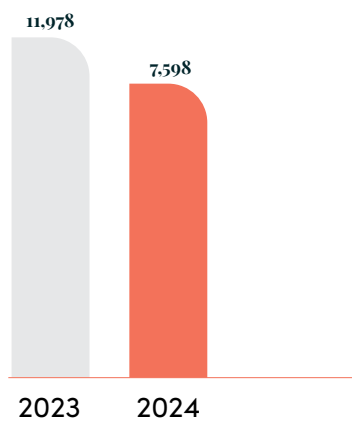
Total Liabilities (TL million)



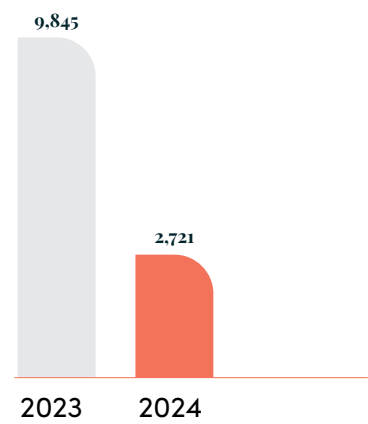
Gross Profit (TL million)



Revenues (TL million)



Profit/(Loss) for the Period (TL million)



Agenda for the Ordinary General Meeting of Shareholders

- 1- Opening and observing a moment of silence.
- 2- Discussing and deciding on the election of the Meeting Chairperson.
- 3- Discussing and deciding on authorizing the Meeting Chairperson to sign the minutes of the General Meeting of Shareholders.
- 4- Reading and discussing the Annual Report of the Board of Directors, Auditor's Report, and Independent Auditor's Report for 2024.
- 5- Reading, discussing, and approving the Statement of Financial Position and Comprehensive Income Statement for 2024.
- 6- Deciding on the release of the members of the Board of Directors for their activities in 2024.
- 7- Reading and discussing the authorization letters received from the Capital Markets Board and the General Directorate of Domestic Trade of the Ministry of Commerce regarding the amendment of the Articles of Association of the Company, discussing and deciding on the amendment of Articles 7, 8, 9, 10, 10, 11, 12, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 of the Company's Articles of Association and adopting the new version thereof, and the removal of Articles 31, 32, 33, 34, 35, 36, 37, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66 and 67 from the Articles of Association.
- 8- Electing the members of the Board of Directors and discussing and deciding on the term of office and remuneration of its members.
- 9- Briefing on, discussing, and deciding on approval of amendment to the Company's Profit Distribution Policy.
- 10- Discussing and deciding on the Board of Directors' proposal for dividend distribution.
- 11- Discussing and deciding on the approval of the authorization of the Board of Directors to decide on the distribution of advance dividends for the 2025 financial year in compliance with the Company's Articles of Association and the Capital Markets Board's Dividend Communiqué No. II-19.1.
- 12- Discussing and deciding on offsetting the advance dividend to be distributed from the resources that can be subject to dividend distribution in the annual financial statement for the 2025 accounting period in the event of an insufficient profit or loss at the end of the 2025 accounting period.
- 13- Informing the General Meeting of Shareholders on the shares acquired under the Share Buyback Program.
- 14- Discussing and deciding on the approval of the Share Buyback Program accepted by the Board of Directors.
- 15- Discussing and deciding on the approval of the Independent Audit Company selected by the Board of Directors for the audit of the accounts and transactions for the year 2025 in accordance with the Turkish Commercial Code and the regulations of the Capital Markets Board.
- 16- Discussing and deciding on the approval of the Independent Audit Firm selected by the Board of Directors for the assurance audit of our Company's sustainability reports for the years 2024 and 2025, as well as for the execution of other activities in accordance with the applicable regulations.
- 17- Briefing on the donations made by our Company in 2024.
- 18- Discussing and deciding on the cap of donations to be made in 2025.
- 19- Briefing on the guarantees, pledges, mortgages, and sureties given by the Company in favor of third parties.
- 20- Discussing and deciding on the authorization of the members of the Board of Directors as set forth in Articles 395 and 396 of the Turkish Commercial Code.
- 21- Briefing the General Meeting of Shareholders on the transactions specified in Article (1.3.6) of the "Corporate Governance Principles" annexed to the Capital Markets Board Communiqué No. II-17.1.
- 22- Wishes and requests.

Board of Directors' Annual Report

Distinguished Shareholders,

We submit the Statement of Financial Position, Statement of Comprehensive Income, and other financial statements that reflect our Company's operating results for the year 2024, for the esteemed Meeting's review and evaluation.

1. The Annual Report covers the period between 01.01.2024 and 31.12.2024.
2. The terms of office of the directors and auditors who served in 2024 on the Board of Directors are given on page 17.
3. The financial statements of Alarko Holding A.Ş. for 2024 have been independently audited by BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş. (Member, BDO International Network).
4. In the 2024 fiscal year, the authorized capital of our company is TL 500,000,000.
5. Our issued capital is TL 435,000,000 and our consolidated profit for 2024 is TL 2,092,525,630.
6. 124 shareholders participated physically and electronically in our Ordinary General Meeting of Shareholders on 27 May 2024. Shareholders holding more than 10% of our capital include İzzet Garih with 17.68%, Leyla Alaton with 14.77%, Vedat Aksel Alaton with 14.27% and Dalia Garih with 13.04%.

In 2021, 2022, and 2023, net dividends of 1,818.09%, 2,608.56%, and 17,937.30%, respectively, were paid on the capital paid in cash, and 20.7%, 29.7%, and 204.23%, respectively, on the total capital. The Board of Directors dividend distribution proposal for 2024, submitted for the approval of the General Meeting of Shareholders, is presented on page 96 of the report. The value of our share, which is traded on the Borsa Istanbul, is TL 81 at the date of this report.

7. In 2024, the amount donated and granted by the Company amounted to TL 3,206,885.
8. Information on guarantees, pledges, mortgages, and sureties issued by the Company in favor of third parties as of 31.12.2024, is disclosed in Note 23 to the financial statements.
9. The Board of Directors held 37 meetings during the reporting period. One member had an excuse for absence at 2 of the meetings and all other members were present. Board decisions were taken unanimously. Therefore, there is no dissenting opinion recorded.
10. As of 31.12.2024, there are no material lawsuits filed against the Company that could impact its financial position or operations.
11. In 2024, there were no related party transactions or significant transactions requiring the approval of the Independent Members.
12. There are no transactions involving the controlling shareholders, members of the Board of Directors, senior executives, or their spouses and relatives by blood or marriage up to the second degree that could create a conflict of interest with the Company or its subsidiaries. The members of the Board of Directors have no transactions with the Company on their behalf or behalf of others, nor do they engage in any activities subject to the prohibition of competition.
13. The table of our affiliates as of 31.12.2024 indicating their fields of activity, capital and direct and indirect shareholding ratios is available on page 76 of the report.

BOARD OF DIRECTORS



► Companies of the Alarko Group

We are redefining the future through our responsible investments.

With our vision of becoming an international portfolio investment company, we are expanding our investments and making solid strides in digital transformation, innovation, and sustainability projects across all our business areas. By 2030, our goal is to allocate 50% of our portfolio to existing sectors, 40% to new business lines, and 10% to our Investment Group, which focuses on promising startups and publicly traded companies.



Central coordination and oversight

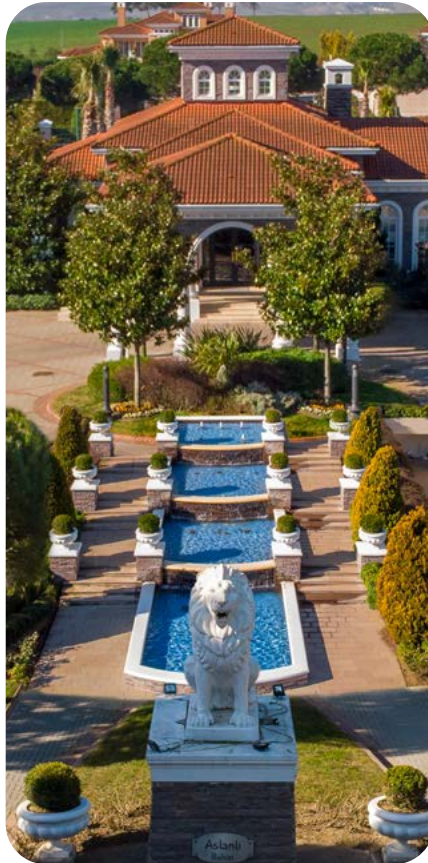
Alarko Group of Companies is centrally directed and overseen in areas such as finance, financial coordination, auditing, legal procedures, management information systems, human resources, training, organization, corporate communication, and sustainability.

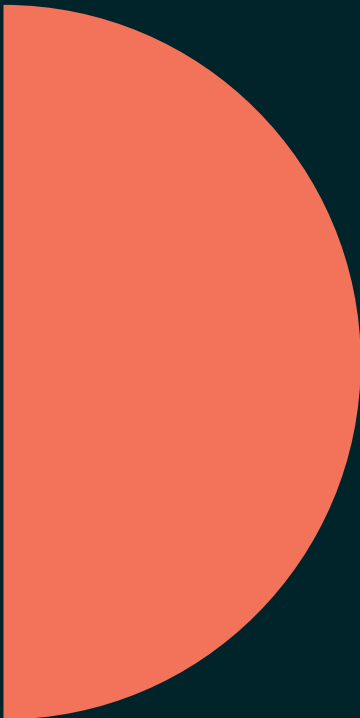
Alarko Group of Companies, operating under the umbrella of Alarko Holding A.Ş., encompasses a diverse range of companies and establishments across various sectors. Although the companies within the Group operate autonomously in terms of management, they are directed and overseen from a single center in areas such as finance, financial coordination, auditing, legal transactions, management information systems, human resources, training, organization, corporate communication, and sustainability, in line with the principle of central coordination and oversight.

Companies of Alarko Group are categorized under the following 7 core business groups:

- Contracting Group
- Energy Group
- Industry and Trade Group
- Tourism Group
- Land Development Group
- Agriculture Group
- Investment Group

Below is a detailed description of the new projects, investments, and future goals of these business groups.







► **Contracting Group**

Redefining the value of quality

As the expectations and needs of the contracting business line evolve, the lasting values we generate also change and transform. With a business volume of USD 250 million, our Contracting Company, listed among the World's 250 Largest International Contractors for 2024, continues to successfully deliver turnkey projects under the principle of "Quality in Service and Production." We view Uzbekistan as a promising market after Romania and Kazakhstan, in addition to Türkiye, and we are eager to participate in projects with strong return potential, adopting a selective approach.

Outstanding success in domestic and international projects

Alarko Contracting Group successfully completes public-private partnership projects, build-operate-transfer projects, and turnkey projects in Türkiye and abroad.

With its respected and reliable identity, Alarko Contracting Group, whose mission is “to be an international contracting company of first choice for customers, employees, shareholders, and society in the reconstruction of the globalizing world,” is a major player in Türkiye and abroad.

Alarko Contracting Group, a hallmark of reliability and quality in business, has adopted customer satisfaction as a key premise and operates under the principle of “Quality in Service and Production,” and completes public-private partnership projects, build-operate-transfer projects, and turnkey projects in Türkiye and abroad.

Alarko Contracting Group is mainly engaged in leading projects of the sector in Türkiye and abroad including refineries, petrochemical plants, chemical process plants, tank farms, construction of factories and installation of equipment, as well as construction of mineral processing and enrichment plants, metallurgy and electrometallurgy plants, iron and steel plants, cement and lime factories, hydroelectric power plants, thermal power plants, combined cycle power plants, heat recovery systems, oil pipelines, natural gas pipelines, water pipelines, urban natural gas distribution networks, compressor stations, pumping stations, wastewater treatment plants, drinking and utility water treatment plants, industrial water treatment plants, wastewater sea discharge lines, water supply and irrigation systems, airports, railways, subways, light rail systems, signalization systems, motorways, highways, tunnels, bridges, satellite cities, mass housing, luxury housing, business centers, trade centers, hospitals, and hotels.

With its respected and reliable identity, Alarko Contracting Group, whose mission is “to be an international contracting company of first choice for customers, employees, shareholders, and society in the reconstruction of the globalizing world,” is a major player in Türkiye and abroad.

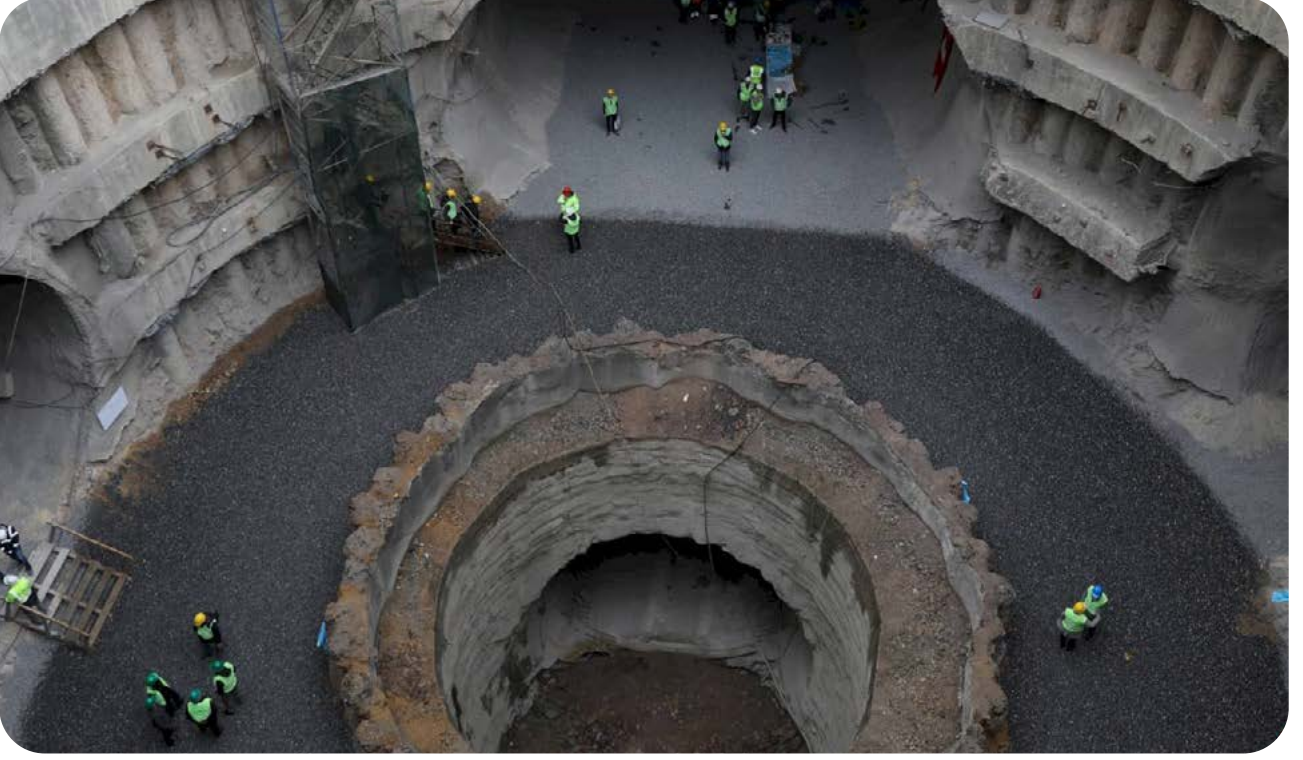
Alarko Contracting Group achieves its objectives by using the most advanced technology available.

In our activities, we prioritize transparency, accountability, and discipline. Our most important policy is to work as a team at all levels, with mutual trust and respect for our employees, and to prioritize team success.

Alarko Contracting Group takes measures to prevent air, water, soil, and noise pollution in all of its operations. Our company holds ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 OHS Management System certificates, and our management systems and processes are constantly improved.

In 2024, our Company and our projects were continuously and periodically audited, both internally and through external audits conducted by internationally recognized external audit firms. Potential environmental damage has been reduced to acceptable levels in our operations thanks to our Environmental Process Management.

Alarko Contracting Group places a high value on the protection of occupational health and safety in all of its activities, viewing it as both a corporate value and a fundamental human right. In 2024, significant efforts were made with our Occupational Safety Process management to achieve our zero accident target in our projects. We have made significant contributions to the communities and the environment where our projects are located through social process management. With the help of our quality process management systems, products that will maintain the highest level of customer satisfaction were produced to reduce the costs of subpar quality.



The priority of Alarko Contracting Group in the processing of personal data is the protection of individuals' fundamental rights and freedoms, particularly the privacy of private life.

Competitiveness can only be achieved by enhancing employee knowledge and skill levels in tandem with technological advancements. "Knowledge and Education" will be the two most important strategic weapons in competition. Alarko Contracting Group will maintain its benchmark of "considering customer satisfaction to be the fundamental principle in its business understanding" with its staff that employs cutting-edge technology and has internalized a wide range of modern techniques.

Alarko Contracting Group's main goal is to ensure external and internal customer satisfaction, and timely, high-quality, and cost-effective project planning and management are essential. "Autonomous management and centralized supervision" is the project management philosophy of Alarko Contracting Group. Each project is considered as a separate profit center.

Alarko Contracting Group continuously improves its organizational and management systems in order to think strategically, develop effective decision-making policies, shorten job completion times, minimize costs, and constantly improve quality,

Alarko Contracting Group is committed to "Target-Oriented Management." In our performance management system, in addition to targets, the performance of all employees in terms of their general competencies and managerial competencies is continuously monitored. This enables us to help every employee get better at result-oriented working, efficient use of resources, representation, compliance with company policies and rules, embracing one's responsibilities, visionary leadership, transfer of powers as well as training others, strategic thought, political approach, and motivation.

The latest status of projects under construction, completed during the year, those with ongoing maintenance and operation responsibilities, and those newly acquired is summarized below:

İstanbul Metropolitan Municipality Kabataş-Mecidiyeköy-Mahmutbey Metro Project

Kabataş-Mecidiyeköy-Mahmutbey Metro Project is the first fully automated driverless, 22.5 kilometers long metro line (M7) of the European side, consisting of 19 stations and connecting 8 districts on the horizontal axis of the European side of Istanbul, the most important artery of the city.

With the completion of the Mahmutbey-Bahçeşehir-Esenyurt Metro line—currently under construction by another contractor—and the Esenyurt-Saadettepe section, which is set for tender in 2025, the Kabataş-Saadettepe Metro Line (M7) will span approximately 47 km with 34 stations, making it the longest transfer-free, fully automatic driverless metro line in the world.

Alarko Contracting Group continuously improves its organizational and management systems to keep up with the advancements.

Projects

respecting the environment

Alarko Contracting Group takes measures to prevent air, water, soil and noise pollution in all of its operations.

Since its opening, approximately 150 million passengers have used the M7 line.

The commercial operation of the Yıldız-Mecidiyeköy-Mahmutbey section, consisting of 17 stations, where construction activities have been completed under our scope of work, has been running uninterruptedly for 4 years. Thus integration is achieved with

- (M2) Yenikapı-Hacıosman metro line at Mecidiyeköy station,
- (M3) Bakırköy İDO-Kirazlı-Kayaşehir metro line at Mahmutbey station,
- (M11) Gayrettepe-İstanbul Airport metro line at Kağıthane station,
- (T4) Topkapı-Sultançiftliği tam line at Karadeniz Mahallesi station,
- (T5) Eminönü-Alibeyköy tram line at Alibeyköy station,
- Metrobus at Mecidiyeköy and Çağlayan stations,
- İETT First Departure Stations at Yıldız, Kağıthane, Alibeyköy, Mahmutbey Stations,

When Kabataş and Beşiktaş stations are completed, integration will be provided with

- (F1) Kabataş-Taksim funicular line at Kabataş Station,
- (T1) Eminönü-Kabataş tram line at Kabataş Station,
- Sea transportation at Kabataş and Beşiktaş stations,
- İETT First Departure Stop at Beşiktaş Station,

Kabataş - Mecidiyeköy - Mahmutbey Metro Project will provide transportation between Beşiktaş-Mecidiyeköy in 5.5 minutes, Mecidiyeköy-Alibeyköy in 7.5 minutes, Çağlayan-Gaziosmanpaşa in 13 minutes, Beşiktaş-Sarıyer Hacıosman in 25.5 minutes, Mahmutbey-Mecidiyeköy in 26 minutes, and Mahmutbey-Yenikapı in 39.5 minutes.

Phase 1, which includes 15 stations and an 18-km long line between Mecidiyeköy and Mahmutbey, was accepted and opened for commercial operation on 28 October 2020, and 2 years of operation and supervision services were successfully completed with an average monthly service availability performance of 99.95%.

Fulya and Yıldız Stations on the 1.9 km line between Mecidiyeköy and Yıldız, which is included in the Phase 2 section of the Project, were successfully completed and put into passenger service at the end of 2022, and maintenance and supervision of operations continue. Since its opening, approximately 150 million passengers have used the M7 line.

Since the legal limit for the increase in the Bill of Quantities (BOQ) has been exceeded, some of the works at Beşiktaş and Kabataş Stations, as well as the line between Yıldız and Kabataş, will be carried out by us, while the remaining works will be handled by a new contractor to be determined following the new tender to be issued for completion of the remaining works. The Authority aims to commission Kabataş and Beşiktaş Stations by the end of 2026.

Istanbul Metropolitan Municipality Kaynarca-Pendik-Tuzla Metro Project

The Joint Venture, in which Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. holds 50% of the shares, undertook the "Kaynarca - Pendik - Tuzla Metro Construction and Electromechanical Systems Supply, Installation and Commissioning Works" project with the contract signed on 14.04.2017, and then, in accordance with the termination right granted to the contractors in the Provisional Article 6 of the Public Procurement Contracts Law No. 4735, the termination of the contract was requested from the Contracting Entity and the work was liquidated with a liquidation protocol entered into with the Contracting Entity, i.e. Istanbul Metropolitan Municipality Rail System Department Anatolian Side Rail System Office.

The Final Acceptance Committee completed site inspections in September 2024, following liquidation. Final acceptance of the project is expected to be approved. The final account and final progress payment procedures are expected to be finalized in parallel.

Kazakhstan Great Almaty Ring Road Project

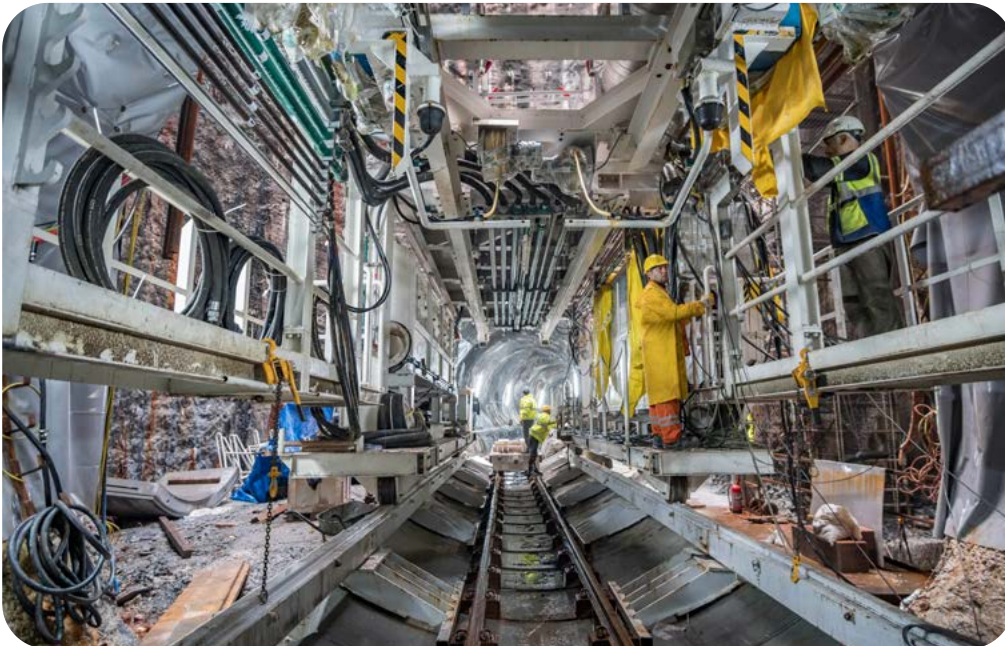
The Great Almaty Ring Road (BAKAD) Project, which is part of the 66-kilometer-long West China-West Europe international highway project that will pass through the Almaty Region's Karasai, Ili, and Talgar districts, is Kazakhstan's and Central Asia's first Public-Private Partnership project. The Great Almaty Ring Road Project is also the first major privately funded project in Kazakhstan outside the oil and gas sector.

The Concession Agreement was signed on 7 February 2018 between the Government of the Republic of Kazakhstan, represented by the Ministry of Investment and Development (now Ministry of Industry and Infrastructure Development), and BAKAD Investment and Operation LLP established by the Concessionaire Turkish-Korean Consortium (Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. (Alsim Alarko), SK ecoplant Co. Ltd. (SK), Makyol İnşaat Sanayi Turizm ve Ticaret A.Ş. (Makyol) and Korea Expressway Corporation (KEC)).

The length of the road in Bakad Project is 66 km, consisting of 13 lots (11 lots of roads, 1 ITPS, and 1 Road Maintenance Building). The 13.5 km section is designed as 4 lanes and the 52.5 km section as 6 lanes. The main body of the road, the connection roads, bridges, and viaducts is paved with asphalt. There are a total of 7 junctions, 15 overpasses, 6 underpasses, 1 railway underpass, 18 bridges, and 1 retaining wall (1,500 mt). There are 108 culverts totaling 4,808 meters in length, and there are 2,821 meters in length of overpasses, underpasses, and bridges. The Project includes 1 Administration Building and Maintenance Facilities, ITPS (Intelligent Transport and Payment System), 12 Free Flow System points, 18 dynamic information panels (WMS-Type N: 12 panels Type L: 6 panels) 125 CCTV Cameras, 96 ANPR cameras, 32 traffic sensors (WIM), 28 varying traffic signs (VTS), 2 Meteorological Stations, and 76 km fiber cabling.

66 km

**Length of
Road for
BAKAD
Project**



Customer satisfaction is our utmost priority

Alarko Contracting Group will maintain its benchmark of “considering customer satisfaction to be the fundamental principle in its business understanding” with its staff that employs cutting-edge technology and has internalized a wide range of modern techniques.

Following the 2016 contract, the Additional Electromechanical Works for the Ankara Metro were undertaken as a new package.

The BAKAD Project, which commenced with the financial close on 6 August 2020, had a duration of 50 months according to the contract, participated by three international finance institutes including the European Bank of Reconstruction and Development (EBRD), Islamic Development Bank (IsDB), and Eurasian Development Bank (EDN). However, with the implementation of additional measures, it was completed in 32 months, including testing and commissioning, and opened on 16 June 2023. The commercial operation period, which will last 15 years and 10 months, commenced on 26 June 2023.

The BAKAD Project's operation phase, which includes road operation and maintenance, is carried out by BARR Operation and Maintenance LLP, a joint venture between Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. (Alsim Alarko), SK ecoplant Co. Ltd. (SK), Makyol İnşaat Sanayi Turizm ve Ticaret A.Ş. (Makyol), and Korea Expressway Corporation (KEC).

Ankara Metro Project

The Ankara Metro Project includes the renovation of the electro-mechanical works and signaling system on the existing Kızılay-Batıkent line, the construction of the electro-mechanical works and signaling system on the Batıkent-OSB metro line, the construction of the signaling system on the Kızılay-Çayyolu 2 line, and the construction of the signaling system on Tandoğan-Keçiören, the renovation or modification of the warehouse, workshop, and control center in Macunköy,

in accordance with the system requirements. The project also entails upgrading the signaling, announcement, and radio systems of 108 existing vehicles to align with the new systems, as well as the supply, installation, and commissioning of on-vehicle equipment for signaling of 324 vehicles to be purchased in the future.

Following the 2016 contract, the Additional Electromechanical Works for the Ankara Metro were undertaken as a new package.

In 2021, the AKM (Atatürk Cultural Center)-Kızılay line signalization works were added to the scope of the Ankara Metro Additional Electromechanical Works contract. These works were completed and put into operation at the end of 2022.

In 2023, all works under both contracts were provisionally accepted.

In 2024, the final acceptance of the Ankara Subways Additional Electromechanical Works Project was completed, and the final acceptance of the Ankara Subways Electromechanical Works Project is expected to take place in 2025.

Romania Bucharest Southern Ring Road Lot1 and Lot2 Projects

The Bucharest Southern Ring Road Project connects the A2 highway at the eastern exit of the city towards Constanta and the A1 highway at the western exit towards Pitesti from the south of the city.



Both of the projects are designed as asphalt-coated highways with a design speed of 140 km/h, 2x2 lanes, and safety lanes, a central median divided by steel barriers, and a 26 m platform width.

Lot 1 and Lot 2 include the construction of 29 motorway bridges overpass bridges, 4 motorway junctions, 72 culverts, 2 operation and maintenance areas, 3 temporary parking spaces, 180 km highway barriers, and the supply of 13 km anti-noise panels, highway traffic regulation and road information systems (ITS), and other closed security systems, installation of road lightning, and finally various finishing works.

The total duration of the works under the contract for both Lots is 102 months, including 12 months for project preparation and obtaining construction permits, 30 months for construction, and 60 months for the warranty period.

The Romania Bucharest South Ring Road Lot-2 Project was delivered to the Employer and opened to traffic on 30.12.2023.

Romania Bucharest South Ring Road Lot-1 Project is divided into two separate sections. Lot-1A section was opened to traffic on 15.04.2024 and Lot-1B section on 30.07.2024.

Bucharest International Airport Metro Connection 6th Metro Section Lot 1.1

The contract for the Bucharest International Airport Metro Connection 6th Metro Section Lot 1.1, a metro line extending from the 1 Mai

Station of the existing M4 line to Tokyo Station, was signed on 08.03.2022.

The contract specifies a total of 1,461 days for the work, which includes 266 days for design and construction permits, 917 days for construction, and 278 days for trial and operation. The warranty period is 60 months.

In this project, the total length of the tunnel line is approximately 6.3 km and consists of 6 stations. This project will require 333 thousand m³ of concrete and 33 thousand tons of iron, 543 thousand m³ of excavation, 112 thousand m² of diaphragm wall, and 129 thousand m of piling.

In addition, the project contract includes design of concept and implementation projects, obtaining construction permits, relocation of existing electricity, telecom, natural gas, oil, water, and sewage infrastructure lines, construction of 5.234 mt double tube metro main line tunnel, ground improvement works, construction of diaphragm walls, excavation support systems and reinforced concrete works for 6 stations (Tokyo, Aeroportul Baneasa, Gara Baneasa, Piata Montreal, Expozitiei, Pajura), construction of diaphragm walls, excavation support systems and reinforced concrete works for 3 switching zones (Tokyo, Expozitiei, Pajura), and construction of 8 ventilation and drainage shafts (Tokyo, Aeroportul Baneasa (2), Gara Baneasa, Piata Montreal, Expozitiei, Pajura, 1 Mai), and construction of 2 connection structures (1 Mai North, 1 Mai South).

6.3 km

**Bucharest
International
Airport Metro
Tunnel**

Critical role in food logistics

Konya Ereğli Dry Food Production and Storage Plant Project will not only contribute to the regional economy but also create employment opportunities and play a crucial role in Türkiye's food logistics.

12,500 m²

Konya Ereğli Dry Food Production and Storage Plant, Indoor Area

The Concept Design Report and Technical Projects for Construction Permit (PAC) were approved in October 2023. On 13.12.2023, construction started with the issuance of the Construction Permit.

Konya Ereğli Dry Food Production and Storage Plant Project

On 01.01.2024, a Service Contract was signed between Alsim Alarko and Alarko Gıda for the "Dry Food Production and Storage Factory Project," part of Alarko's agricultural investments in 2024. The design and construction processes for the project have commenced.

As of January 2024, design works for the Dry Food Production and Storage Plant, located on approximately 50,000 m² of land in the Konya Ereğli Organized Industrial Zone with a closed area of 12,500 m², have commenced, and construction tenders are ongoing.

In the 12,500 m² factory building, constructed as a precast prefabricated reinforced concrete structure, the concrete casting of 1,156 structural elements such as columns, beams, trusses, and purlins, along with their transportation to the project site and field

assembly, were completed in a short span of 80 days. Following this, roof and facade sandwich panel assemblies began at the facility.

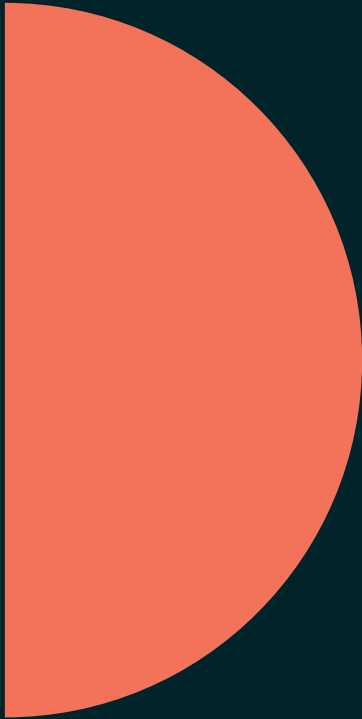
The dry food production and storage plant was designed in full compliance with local and international hygiene standards. The construction works were completed on 28.11.2024, and the facility became ready for commercial operation.

This project will not only contribute to the regional economy but also create employment opportunities and play a crucial role in Türkiye's food logistics.

Palmira Agro Çankırı Microgranular Fertilizer Plant

The construction of the Çankırı Microgranular Fertilizer Plant, part of Alarko Agriculture Group's investments, began in March 2023. The plant was completed and commissioned in September 2024, with project management services provided by us.

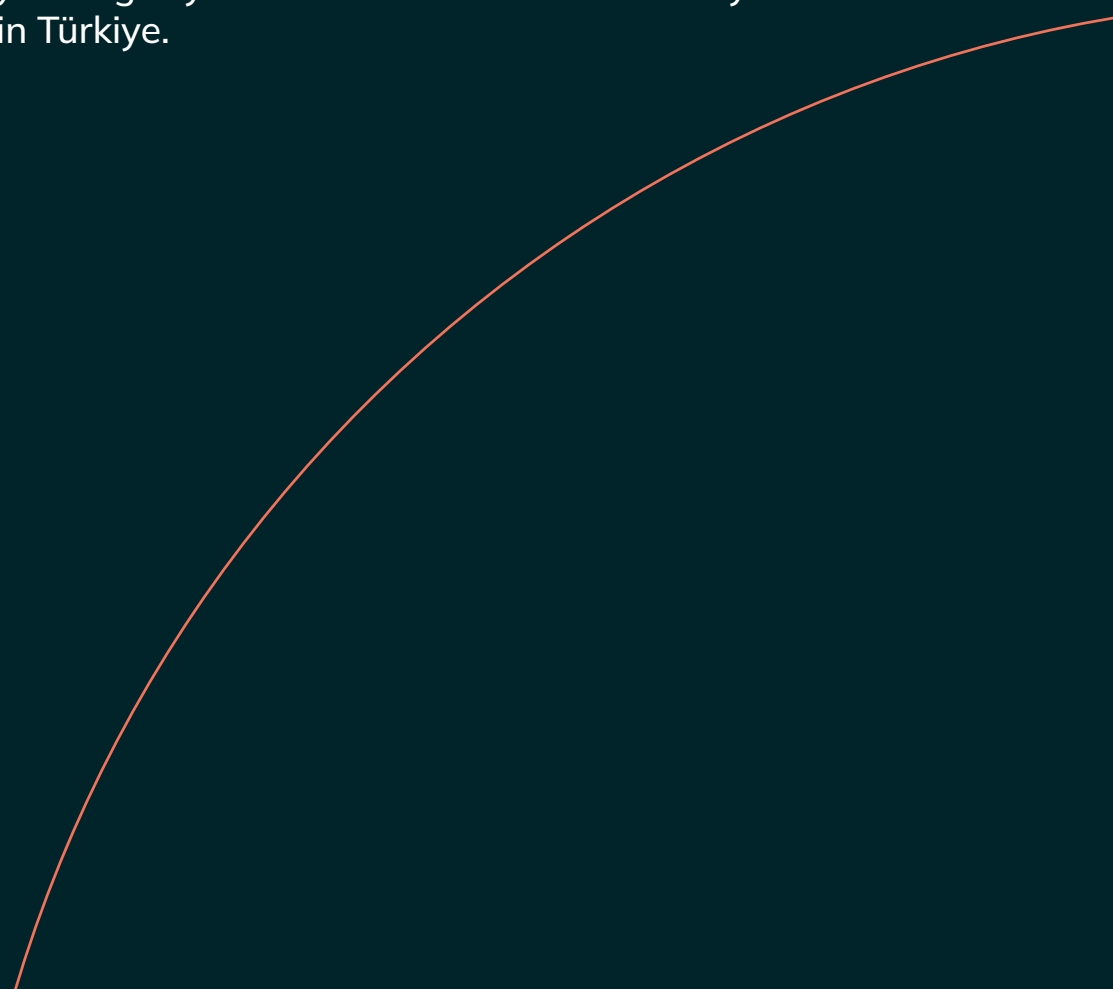




► **Energy Group**

Redefining the future of energy

Renewable energy sources are experiencing rapid growth in use, aiming to reduce the effects of the climate crisis. Energy storage technologies are becoming increasingly important as the continuous production of energy from clean sources become critical for the future. We are working to establish energy storage systems and a lithium-ion battery production line in Türkiye.



Investments focused on renewable energy

Alarko Energy Group generates value across the entire energy chain, from production to end consumers, encompassing electricity generation, distribution, wholesale and retail operations, as well as the development of energy storage systems.

470 MW SPP

The 21st century is often called the “Electricity Age” by industry stakeholders, including the International Energy Agency, as advancements in transportation, digitalization, data storage, urbanization, and industry continue to drive a rapid increase in per capita electricity consumption. As a result, the term “energy” is now primarily associated with electrical energy, with the sector’s growth increasingly focused on renewable energy sources and energy storage systems.

80 MW WPP

By 2030, global renewable energy capacity is expected to reach approximately 10,000 GW, accounting for 61% of total installed capacity. Annual investments in renewable energy are projected to reach USD 4 trillion, with solar and wind energy becoming the primary sources of the world’s energy supply.

In Türkiye, the Ministry of Energy and Natural Resources (MENR) aims to achieve 120 GW of installed wind and solar power capacity by 2035, increasing the share of renewable energy in total installed capacity to 61%.

As of September 2024, Türkiye’s total installed capacity reached 114,2 GW. The distribution of installed capacity by resources is as follows: 28.2% hydroelectric, 21.6% natural gas, 19.2% coal, 10.8% wind, 16.4% solar, 1.5% geothermal, and 2.3% other resources.

Electricity demand in Türkiye is expected to reach 343.6 billion kWh by the end of 2024, a growth of 5.3% compared to the previous

year. By the end of 2025, electricity demand is expected to increase by about 3% to 354 billion kWh.

In 2023, electricity prices were TL 2,189/MWh (USD 96.56/MWh), while in 2024 they were TL 2,236/MWh (USD 68.1/MWh). In 2024, the Market Clearing Price in Turkish lira remained stable, though it experienced a decline of approximately 30% in US dollar terms. In 2022, electricity prices hit record highs, a trend also observed in Europe. These prices fell from €500/MWh in 2022 to below €100/MWh in 2023 and around €80/MWh in many markets in 2024.

We continue to add significant value with our energy generation portfolio amidst market dynamics by selling energy in the Day-Ahead Market, Balancing Power Market, and Intraday Market, particularly with the help of rising prices in the Ancillary Services Market.

The main goal in electricity generation is to diversify our portfolio on a resource basis and improve our total generation capacity. We prioritize investing in renewable energy sources when increasing our generation capacity. Opportunities offering high returns linked to foreign currency are pursued not only in Türkiye but also abroad in order to achieve market diversification in the medium and long term.

Under the pillars of “planet, people and culture, digital transformation, and innovation”—which form the foundation of Alarko Group of Companies’ sustainability goals—all our projects and activities are monitored with an unwavering commitment

to respecting the environment and nature. In the regions where we operate power plants and develop projects, we continuously carry out activities focused on nature conservation, biodiversity enhancement, and environmental improvement. Occupational safety is prioritized in all operations, with the principle that "No work is more important than life safety" strictly upheld. In line with our commitment to people and culture, we prioritize gender equality by increasing female employment and supporting career development through comprehensive training programs within our talent management framework. In the regions where we operate, we implement social responsibility projects, with a particular focus on education, to address the needs and expectations of local communities. We continue to integrate digitalization into our business processes, expanding the use of remote monitoring, SCADA/automation, and advanced technologies to enhance cost efficiency and operational effectiveness. Mutual respect and a spirit of cooperation are fundamental to our relationships with all stakeholders, both internal and external.

A positive opinion has been obtained for grid connection for the second-phase auxiliary solar power plant with an installed capacity of approximately 4.5 MW, complementing

the previously completed 1.5 MW auxiliary source at Karakuz Hydroelectric Power Plant. Efforts for amending the license are ongoing.

In Türkiye, we have submitted pre-license applications for a total of 550 MW in renewable energy projects with storage, including 470 MW of solar power and 80 MW of wind power. These applications are still under review and awaiting approval by the relevant institutions. Once the opinions of the relevant institutions are received for these projects, the pre-licensed projects will be incorporated into the investment plan.

Wind measurement data for one year was collected from a potential wind energy site, and an energy analysis was performed by an independent international engineering firm. The studies have been completed to assess the potential project site for future license applications.

For the YEKA-RES-2024 (1,200 MW in total across 5 projects) and YEKA-GES-2024 (800 MW in total across 6 projects) announced by the Ministry of Energy and Natural Resources (MENR) in 2024, we plan to submit bids in early 2025 for those projects that align with our investment criteria.

A positive opinion has been obtained for grid connection for the second-phase auxiliary solar power plant with an installed capacity of approximately 4.5 MW at Karakuz Hydroelectric Power Plant.



Activities regarding renewable energy sources

Alarko Energy Group has decided to invest in the production of energy storage systems in line with the developments in renewable energy sources, which it closely follows.

In the regions where we operate power plants and develop projects, we continuously carry out activities focused on nature conservation, biodiversity enhancement, and environmental improvement.

We continue to explore and engage in activities aimed at acquiring renewable energy projects, both in Türkiye and abroad, that align with our investment criteria.

We are closely following the tender preparations of the Ministry of Energy and Natural Resources (MENR) for offshore wind YEKA projects and are working on forming partnerships with both local and international companies to participate in these projects.

In accordance with the investment policies of the Ministry of Energy and Natural Resources (MENR), Small Modular Nuclear Reactor (SMR) projects have been placed on our agenda. We have commenced cooperation discussions with companies that hold the requisite technology, preparing for potential opportunities in the near future.

The procedures to amend the license before EMRA under the Self-Storage Regulation to add a total of 1,000 MWh of storage activities in four different regions to the electricity license of Alen Alarko Enerji Ticaret A.Ş. have been completed. By incorporating these storage capacities into our license, we aim to address the increasing demand for storage capacity driven by the growth of renewable energy generation. This will be achieved through participation in capacity tenders, based on long-term availability payments, which are anticipated to be announced by TEİAŞ for ancillary services and balancing requirements.

Energy storage systems play a vital role in integrating renewable energy sources into the grid, ensuring energy supply continuity, enhancing grid security and balancing, stabilizing prices, reducing carbon emissions, and supporting the sustainability and security of social life by maintaining the operation of critical infrastructure and services during emergencies. In the near future, as renewable energy becomes the dominant source of global energy supply, the demand for energy storage capacity is expected to rise significantly.

Alarko Energy Group has decided to invest in the production of energy storage systems in line with the developments in renewable energy sources, which it closely follows. It has decided to invest in the production of battery raw materials, batteries, battery systems, electric vehicle batteries and energy storage systems, including lithium mining activities, and the establishment of a lithium-ion battery production line.

This sophisticated high-tech investment aims to supply the Turkish market, boost foreign currency inflow through exports, establish a domestic ecosystem from the outset, develop new products in LFP and various chemistries via its R&D center, and extend beyond production and sales to include on-site installation, service, and recycling.

Power Generation in 2024

Renewable Power Plants

In 2024, the Karakuz Hydroelectric Power Plant, which did not utilize the YEKDEM option but rather sold energy under free market conditions, concluded the year with a production of 82,100 megawatt hours (MWh). This was largely attributable to the dry season in the region. In 2025, the Karakuz Hydroelectric Power Plant is expected to generate 202,000 MWh under the YEKDEM mechanism, approaching the long-term average. The plant will continue to operate in the Day Ahead Market, Intraday Market, Balancing Power Market and provide Secondary Frequency Control (SFC) services in the Ancillary Services Market as before. In 2024, a 1.5 MW solar power plant was commissioned within the Karakuz Hydroelectric Power Plant, which had been transformed into a multi-source (hybrid) generation facility through a license amendment in 2023. In 2025, an additional 2,600 MWh is expected to be generated with an auxiliary solar power plant with a capacity of 1.5 MW. A positive opinion on capacity has been obtained for the establishment of an auxiliary solar power plant with an installed capacity of 4.5 MW for the expansion of the hybrid capacity in 2024, and the license amendment process with EMRA is ongoing.

In 2024, we completed efforts to eliminate the deficiencies for final acceptance of the Karakuz Dam and HEPP facility, and the "Final Acceptance" procedures were completed by the General Directorate of State Hydraulic Works. The Seismic Risk Analysis and Structural Analysis studies requested by DSI for Private Sector HEPP Projects with Storage after the earthquake in the region on 6 February 2023 have been completed and it has been confirmed that our hydroelectric power plant does not pose a structural risk. The malfunctioning sensors measuring acceleration and displacement in the dam body were replaced with new ones. Annual planned maintenance and repair works of mechanical and electrical systems were completed and the technical availability capacity of the power plant was maintained at 100%. As part of our digitalization project, it is now possible to remotely monitor the operational data of the power plant, and all operation and maintenance activities are planned and recorded via software.



In line with our social responsibility and environmental sustainability principles, beehives were placed at our power plant site to support the pollination of surrounding vegetation and contribute to the protection of biodiversity. The maintenance of these beehives is being carried out by our volunteer employees. Consequently, our employees are supported in fostering stronger connections with the environment. We supplied pipes to Çamlıbel Village, which was experiencing challenges related to drinking and utility water due to drought conditions, allowing them to access water. 17 desktop computers were donated to the computer laboratory of Atatürk Secondary School in Karaisalı, Adana.

Karakuz Hydroelectric Power Plant, which has been registered in the I-REC system based on renewable energy sources since 2021, continues to create added value by generating renewable energy certificates in return for its production.

In 2025, the Karakuz Hydroelectric Power Plant is expected to generate 202,000 MWh under the YEKDEM mechanism, approaching the long-term average.

Renewable energy certificate

Gönen Hydroelectric Power Plant continues to create added value by generating renewable energy certificates in return for its production.

The 52 MW unlicensed Solar Power Plant facilities located in the Central Anatolia Region generated 99,779 MWh in 2024 in line with the budget.

In 2024, Gönen Hydroelectric Power Plant, which became part of our company's portfolio through the transfer of operating rights in 2019, ended the year with a production of 39,663 MWh, in line with its long-term average. It is projected to produce 40,000 MWh in 2025.

In 2024, the planned and routine maintenance of the power plant was completed, and power generation activities continued according to the operational plan and under free market conditions. Unit-1 and Unit-2 generation substations were extensively maintained, and field assembly, testing and commissioning were completed. The internal supply substation has been replaced with a new one. The contractor company has started site works for concrete repair activities under the coordination of DSI due to wear and tear in the spillway discharge channel. The digital system, which was installed for remote monitoring of the plant's operational data and tracking of maintenance activities, has started live data flow. In 2025, an equipment tree will be created and the maintenance management module will be commissioned. The security camera systems around the power plant and in the main dam cover have been upgraded and now offer remote access. In 2023, audio warning systems damaged after the floods were maintained and visual warning signs were refurbished.

The first harvest of honey was collected from the beehives installed at the power plant, which were placed to enhance biodiversity in support of sustainability efforts. 15 desktop computers were donated to the computer laboratory of Gönen Sarıköy Secondary School as part of the social responsibility project.

Gönen Hydroelectric Power Plant, which has been registered in the I-REC system based on renewable energy sources since 2021, continues to create added value by generating renewable energy certificates in return for its production.

The 52 MW unlicensed Solar Power Plant facilities located in the Central Anatolia Region generated 99,779 MWh in 2024 in line with the budget. In 2020, all equipment from Plant No. 2 of the Kırklareli Combined Cycle Natural Gas Power Plant, which had been suspended from production since 2018, was sold, and negotiations with potential buyers for the turbines and other equipment from Plant No. 1 are still ongoing. On 3 June 2024, an application was submitted to EMRA to terminate the license in accordance with Article 13 of the Law Amending the Mining Law, dated 1 February 2024. In 2025, the license termination process is expected to be completed, and the power plant will be sold and liquidated. The revenue from the sale of the equipment is planned to be allocated to investments in renewable energy sources.

Karabiga Thermal Power Plant

The imported coal-fired Karabiga Thermal Power Plant, owned by Cenal Elektrik Üretim A.Ş., with a total installed capacity of 1,320 MW and two units of 660 MW each, has successfully completed the assembly and testing of both units as well as all auxiliary facilities. The first unit of this power plant started commercial production on November 7, 2017 and the second unit on December 28, 2017.

Karabiga Thermal Power Plant, the first “ultra-supercritical” thermal power plant in Türkiye and in our region, was built with an investment of approximately USD 1.2 billion under the coordination of Cenal Elektrik Üretim A.Ş. without using any EPC contractor.

The boiler, turbine, generator, electro filters, desulfurization system and mills used in this power plant were manufactured with the latest ALSTOM technology. The majority of other auxiliary systems used are also of European origin or European design. ASME was used for critical manufacturing. In this power plant, both power units and all auxiliary systems are CE certified.

During the power plant’s design and construction phases, special attention was paid to making it an environmentally friendly power plant. The flue gas emissions were designed to remain well below EU thresholds and state-of-the-art equipment was used. To maximize the added value of the power plant, the principles of flexibility and efficiency have also been emphasized. The Karabiga Thermal Power Plant is currently the most efficient coal-fired power plant in our nation and region.

All power plant commissioning work was performed by Turkish engineers, and operation and maintenance functions are also performed by its own specialized personnel. Approximately 500 people work at the power plant. During the construction, approximately 3500 people were employed and a significant added value and employment opportunity was created for the regional economy. In addition to the environmental and technological advantages of this power plant, both theoretical and practical training activities are organized in order to set an example in terms of occupational safety, and our policy of prioritizing occupational safety is effectively implemented in all our activities.

In 2024, major maintenance works of Unit No. 1 were successfully completed. Critical systems such as turbines, generators, boilers, boiler fans, and pumps were overhauled as part of major maintenance activities, resulting in an increase in plant performance compared to the pre-maintenance period.

Unit No. 1 turbine control system was successfully upgraded during the planned maintenance in 2024, ensuring the sustainability of the system. As part of these efforts, the advanced process control system, which enables the units to make faster load changes and operate safely at low loads,

was successfully commissioned in Unit No. 1 and is now serving our company and nation. Accordingly, significant contributions to grid security have been made by providing greater support to the ancillary service needs of the Turkish Electricity Transmission Network in 2024.

In 2024, we continued to apply our hedging policy by selling a portion of our production in the over-the-counter electricity market through bilateral agreements. In 2025, we will continue to hedge our energy sales by closely monitoring market conditions, the national economy, and developments in international energy markets.

The feasibility and application process for the construction of an auxiliary power plant have been initiated in accordance with the right to establish a Combined Electricity Generation Facility (Hybrid Generation Facility) granted by the Electricity Market License Regulation. The capacity allocation process will be pursued in 2025. Karabiga power plant’s annual production in 2024 was 9.2 kWh. Production in 2025 is planned to be 9.13 billion kilowatt-hours.

1,320 MW

**Installed
Power at the
Karabiga
Thermal
Power Plant**

**Karabiga
Thermal Power
Plant is the
first “ultra-
supercritical”
thermal power
plant in Türkiye
and in our region.**



Focused on customer satisfaction

In our energy distribution activities, we prioritize customer satisfaction by ensuring an uninterrupted energy supply, maintaining high-quality standards, and closely monitoring technological advancements.

**2.5
Million**
Consumers

ELECTRICITY DISTRIBUTION

Meram Elektrik Dağıtım A.Ş. (MEDAŞ) is Türkiye's largest electricity distribution company, operating within an 80,000-kilometer-square geographical area that encompasses the provinces of Konya, Karaman, Aksaray, Nevşehir, Niğde, and Kırşehir. Approximately 2,500 employees work in 35 facilities to provide uninterrupted service to our 2.5 million consumers.

2,500
Electricity
Distribution
Employees

Our top priority is to ensure life safety. Our guiding principle, "No work is more important than life safety," will continue to be applied with meticulousness. In addition to the ongoing efforts of our expert teams to ensure occupational health and safety (OHS), we are committed to the continuous development of our employees through ongoing training. In 2024, 171 thousand person/hours of training activities were carried out. In addition, OHS control is carried out from the headquarters with the commissioning of the video communication system.

Ensuring an uninterrupted energy supply, maintaining its continuity and quality, and closely monitoring technology are key to maximizing customer satisfaction. Concurrent with these initiatives, we are implementing essential studies and strategic investments in alignment with our sustainability goals.

Approximately 30% of the energy distributed, is generated from renewable sources. The installed capacity of our power plants in our distribution region is 2,182 MW, and we play an active role in the integration of renewable energy sources and the development of sustainable energy solutions.

We invested TL 5.7 billion in 2024 for the renewal and expansion of the electricity distribution network. Thus, we have completed an investment of USD 1.2 billion since privatization. We will continue to increase our investment activities in the coming years.

To ensure energy continuity, 850 maintenance personnel and 35 network engineers working in 67 service offices provide uninterrupted support in the field, while 20 engineers and 25 data operators in our SCADA control center manage remote interventions. Our company has one of the lowest loss-leakage rates in the industry. This achievement is a result of our strategic investments as well as the hard work and commitment of our team members.



The number of SCADA stations reached 1,700 in 2024. We supplied uninterrupted power to our subscribers by reducing outage times from an average of 40-45 minutes to less than 3 minutes thanks to this infrastructure. Consumption is monitored remotely with OSOS (Automatic Meter Reading System) allowing for rapid intervention; and service quality is enhanced with technological investments such as remote control of lighting, SCADA/DMS/OMS software updates, and video communication with field teams.

There are 48 R&D projects in our company, 15 of which are ongoing. Customer Information System (CIS), Enterprise Resource Planning (ERP) and Workforce Management System (WFM) stand out among these projects with the benefits and added value they will create.

As part of our social responsibility efforts, we will allocate 1 million TL to support entrepreneurs in the energy sector upon the completion of our Entrepreneurship Program for technology companies developing energy-related products in 2025. We remain committed to supporting students and young entrepreneurs through our social responsibility projects in the upcoming period.

To enhance demand response and support the flexibility requirements of electricity grids, secondary legislation on aggregation activities was finalized by the end of 2024. Accordingly, procedures for the establishment of Meram Elektrik Aggregation A.Ş. are ongoing. This initiative will be an important step towards increasing the resilience of electricity grids and improving demand response.

Aligned with the Alarko Group's core principle of "respecting the environment and nature," sustainability projects are prioritized across our processes. 801 luminaires, 22 medium voltage switchgear, 51 breakers, and 122 rectifiers were recycled at the Repair, Maintenance, and Recycling Workshop established in 2024. Additionally, the rainwater harvesting system in the Head Office Service Building helps to save water annually.

In 2025, through innovative solutions and investments focused on sustainability, our company will continue to respond to the needs of society by improving the quality of its services.

Extensive service network

MEPAŞ serves through 19 Customer Service Centers (CSCs), 53 Alternative Transaction Centers (ATCs) across 50 districts with populations under 50,000, and 11 concept stores in districts with populations exceeding 50,000.

2.4 Million

**Retail
electricity
customers
served by
MEPAŞ**

ELECTRICITY TRADING OPERATIONS

MEDAŞ, which offers electricity distribution and retail sales, separated its activities in 2013 to comply with the Electricity Market Law. The subscription, billing, and collection activities previously done by MEDAŞ were transferred to the newly established Meram Elektrik Perakende Satış A.Ş. (MEPAŞ) as a result of this arrangement to open the retail electricity sales market to competition. The legal separation process started in 2013 and was finalized by the end of 2015 with the physical separation of hardware, software, service points, and personnel as specified in EMRA legislation.

Meram Elektrik Perakende Satış A.Ş. (MEPAŞ), established in 2013, provides retail electricity sales services to approximately 2.4 million customers across six provinces —Konya, Aksaray, Niğde, Kırşehir, Nevşehir, and Karaman— covering 61 districts, 125 municipalities, 60 hamlets, 2,022 villages, and 512 village affiliates.

Meram Elektrik Perakende Satış A.Ş. (MEPAŞ) continues to offer subscription, billing, and collection services through 19 Customer Service Centers (CSCs), 53 Alternative Transaction Centers (ATCs) across 50 districts with populations under 50,000, and 11 concept stores in districts with populations exceeding 50,000. As of 2024, the number of bill payment points was 389.

Committed to maximizing customer satisfaction, MEPAŞ introduced the Online Transaction Center, Mobile Application, E-Government, and Call Center services,

allowing customers to complete transactions remotely without visiting Customer Service Centers. Accordingly, subscription transactions, subscription cancellation, debt inquiry and payments, invoice objections, information update transactions and assurance fee inquiries are carried out online.

Major Activities, Completed and Contracted Works in 2024

EMRA changed the limits of the End-Source Supply Tariff (SKTT) pursuant to the board decision published on the Regulation of the End-Source Supply Tariff. The market has begun to operate within these limits. In accordance with this decision, MEPAŞ began informing potential customers both within and outside our service regions who exceeded the SKTT limit about the process and made offers through call centers, customer service centers, and corporate sales representatives.

Monthly reports to EMRA, management, unlicensed manufacturers and suppliers to manufacturers were integrated into the system and the software reporting process was automated. To this end, the processes that were previously carried out manually by the process managers were automated by creating an interface.

MEPAŞ started to make automatic IVR (Voice Response System) calls to its visually impaired customers after the invoice is generated each month in line with their requests, instead of leaving paper bills. IVR calls provide voice information regarding bill amounts, due dates, and potential delays.

Visually impaired customers can access billing information quickly and easily without visiting customer service centers or making any additional effort through this innovative application.

In 2024, in response to customer demand, the company initiated a digital transformation of the invoice process, thereby reducing its reliance on paper.

Two awards were won at the 6th CX Awards Customer Experience Awards. 'Keep Your Energy for the Future' project was awarded in the 'Sustainability' category, and the E-Request Form project in the 'Best Digital Customer Experience' category.

Investments in 2024

Monthly reports to EMRA, management, unlicensed manufacturers, and suppliers to manufacturers were integrated into the system and the software reporting process was automated. To this end, the processes that were previously carried out manually by the process managers were automated by creating an interface.

Investments Planned to be Made in 2025

A WhatsApp support line powered by AI will be established to provide customers with instant responses to their inquiries, as part of the artificial intelligence project launched in 2024.

Customer requests will be received through the E-request software and seamlessly processed into the MIS software with full automation. This approach ensures that operations are carried out simultaneously, minimizing potential human errors while also allowing for initiatives to enhance personnel efficiency.

New Projects and New Products

New projects and products planned for 2025 by MEPAŞ are as follows:

- **Aggregation Activities:** Starting Aggregation service activities in 2025 under the Regulation on Aggregation published at the end of 2024
- **BRP Sales Processes** Providing services by adding external participants to the ongoing Balancing Responsible Party Activities
- **Renewable Energy Management Processes:** Introducing YEK-G and I-REC systems that guarantee energy supply from Renewable Energy Resources

- **Plant Management:** Planning services for the daily operational works of licensed generation plants operating in the energy market
- **Nationwide Activities for Eligible Consumers:** Expanding the sales process nationwide with the reduction of the SKTT limit

Objectives

MEPAŞ aims to expand its Eligible Consumer portfolio to 3 billion kWh by the end of 2025 and implement the CRM process to extend Eligible Consumer Contract operations beyond its service region.

Alen Alarko Enerji Ticareti A.Ş., a member of the Alarko Energy Group, engages in energy futures trading using its supply license when market conditions allow. The procedures to amend the license before EMRA under the Self-Storage Regulation to add a total of 1,000 MWh of storage activities in four different regions to the electricity license of Alen Alarko Enerji Ticaret A.Ş. have been completed. With the stand-alone electricity storage license, the aim is to participate in capacity tenders held by TEİAŞ based on long-term availability payments for ancillary services and balancing purposes, to address the storage capacity needs arising from the growing renewable energy generation.

MEPAŞ introduced an IVR (Interactive Voice Response) system specifically designed for visually impaired customers.





► Industry and Trade Group

Redefining the value of production

We expand the concept of production beyond just creating final products in our facilities, focusing on delivering the highest value to our customers by leveraging technology and R&D. In alignment with our Group's sustainability goals, we prioritize energy and resource efficiency, harnessing solar power at our facilities. In addition to the photovoltaic panels we have integrated into our product range, we aim to begin offering complementary products such as inverters, cabling, and storage solutions.

Diversifying the product range

Efforts to diversify the product range of Renewable Energy System Products continued in 2024.

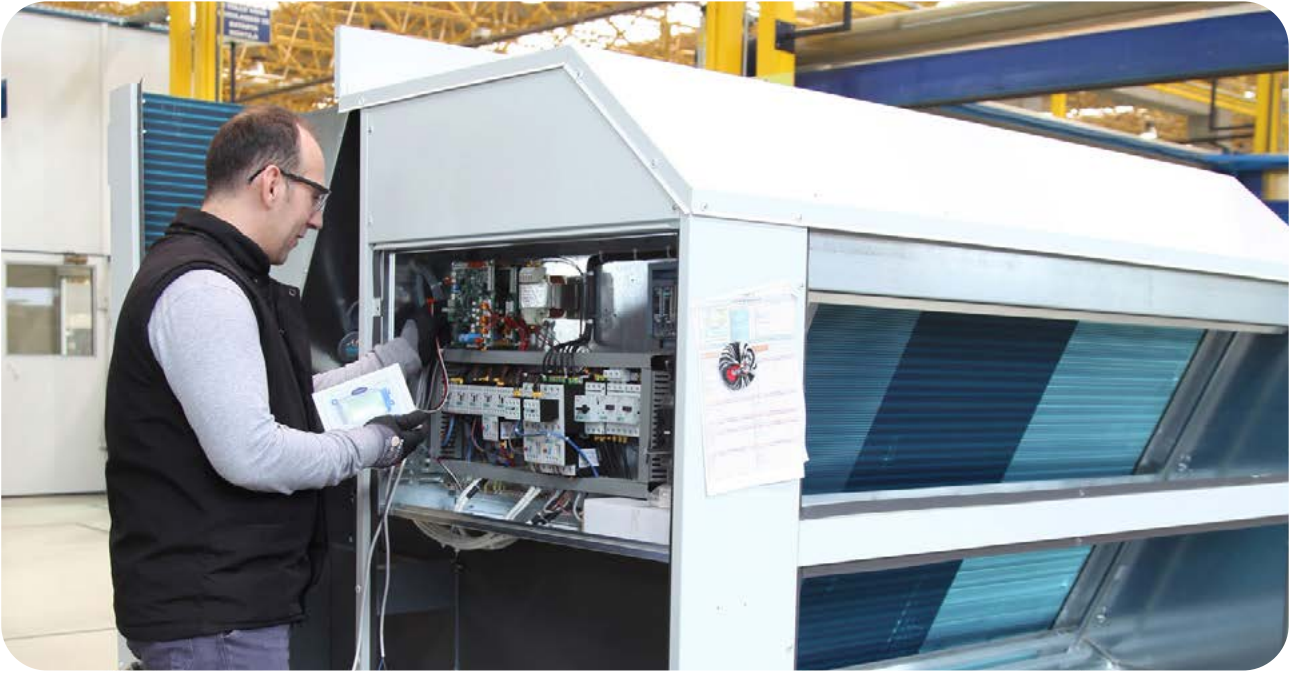
In 2024, sales of Flair wall-mounted, commercial, multi-split air conditioners, VRF, and heat pump products continued under the Alarko brand.

The core business of Industry and Trade Group is manufacturing and importing heating, cooling, ventilation, and water pressurization products, and providing sales and after-sales services for these products. We continued to sell air handling units, fan coils, and rooftop air conditioners in domestic and international markets in 2024, using the technology and brand of our company's partner Carrier, which is widely regarded as the inventor of modern air conditioning. In 2024, İSİB awarded our company as the top exporter of air conditioners, fan coils, and rooftop air conditioners for the 10th consecutive year. With the introduction of the automated AHU, the Carrier brand will continue to gain share in the upper end of the domestic market. The environmentally friendly R454B refrigerant version of the eco-designed NXG series air handling units were launched in 2024. This helped starting sales in new markets in Europe. In the cooling group, where competition is fierce, we will continue to deliver products under the Carrier brand from Carrier plants in France, Spain, America, and China to the upscale market.

Universal Smart X Series EDGE modular heat pump chillers, sold under the Toshiba brand, will make a difference in the marketplace with their high efficiency and modularity. We started the mass production of the EC motor the ceiling-mounted fan coil unit, under the Carrier brand. As regards the heat pumps, we have added Alarko Flair to our product range to compete in the low-scale and midscale markets, and the market

share of this product increased. We continue producing the internal unit of heat pumps with Alarko brand. R&D studies are ongoing for the development of monoblock heat pumps using R290 refrigerant.

Black glass-covered Smart Fit series combi boiler with Wi-Fi-ready touch screen was introduced to the market in 2023. In this way, alongside the Super Fit, Seradens Super, and Seradens Super Plus combi boilers, the fourth series, Smart Fit, a high-end model, was added to the product range, further expanding the combi boiler selection to cater to different customer groups. Production of Aldens floor-standing boilers with capacities of 850, 1,000, and 1,150 kW has commenced at the Eskişehir Plant. This last project completed the floor-standing boiler range. As the sole authorized dealer of the Spanish company Blansol in Türkiye in the "floor heating" market, which is an alternative to radiator heating, the market share will continue to increase in 2025 with the Blansol brand in the Toshiba dealer distribution channel and the Alarko brand in the Alarko dealer distribution channel. In parallel with our increasing market share in the heating market, the panel radiator, which is a complementary product, will be supplied as OEM and sold under the Alarko brand. To diversify the booster product range, the ALDH/F 20 and ALDH/F 30 series were completed and launched on the market with inverter panels. The design and testing of the digital and analog communication cards that will be used with eight models of our new



series OPTIMA BYS circulation pumps with ECM technology for building management systems (BMS), were completed.

Efforts to diversify the product range of Renewable Energy System Products continued in 2024, with Bi-Facial and Double-Face, Double-Glass, and Aluminum-Framed models added to the Photovoltaic Panel group and introduced to the market. Product diversification efforts continued throughout the year, with On-Grid and Hybrid Solar Energy System Inverters, energy storage products, and vehicle charging system products also introduced to the market.

In 2024, sales of Flair wall-mounted, commercial, multi-split air conditioners, VRF, and heat pump products continued under the Alarko brand. Commercial and pool-type heat pumps are planned to be added to the product range in 2025. In 2024, Alarko launched a new series of VRFs that are more responsive to market dynamics and more technologically advanced. In 2024, sales of wall-mounted, multi-split commercial air conditioners under the Carrier brand, heat pumps as well as VRF devices were continued through distributors. In 2024, our high-end wood-covered Daiseikai10 series air conditioners were launched. The Notification Management Project is ongoing in order to collect customers' malfunction notifications and installation requests, direct them to the relevant services, track, manage, and measure the performance of the process and make the

necessary improvements using a single software application, and efforts have been initiated for the Product Tracking System Project, which will take the project to a more advanced stage. The Product Tracking System Project will ensure that products can be tracked until the end of their life cycle. In 2024, with the inclusion of condensing boilers, Optima pumps, and hydrophores, the after-sales service processes of all products sold by the dealership unit were managed digitally. Carrier Excellence quality management system activities are carried out in every designated business unit, both in offices and factories. All performance indicators are reported monthly to the Middle East and Türkiye Quality Director.

In 2024, new corporate identity studies were carried out for both the new Alarko logo and the in-store product display areas of our dealers with the previous design. The renovation of our Alarko Carrier, Toshiba, and Alarko Water Group dealers began, with approximately 30 dealers completely renovated. In 2025, the renewal of dealer store interiors and signage will continue according to a schedule.

Through the efforts of the CRM Data Specialist under the Customer Experience Department, call center reports, e-commerce sales, customer surveys, additional warranty sales, and Notification Management System installations have begun to be displayed live on a graphical interface using the Power BI program.

In 2024, Alarko launched a new series of VRFs that are more responsive to market dynamics and more technologically advanced.

Revamping efforts

In 2024, new corporate identity studies were carried out for both the new Alarko logo and the in-store product display areas of our dealers with the previous design.

In this plant, central air conditioning products such as air handling units, rooftop units, and fan coil devices are manufactured under the Carrier brand.

Compliance activities according to the amended 2015 version of ISO 9001 quality management standard have been completed across all the departments with necessary risk analyses and process flows being defined, and six recertifications were made by both TSE and BSI. We also play a leading role in its sector by holding quality certificates such as ISO 14001, ISO 27001, ISO 50001, and ISO 45001. E-commerce and digital marketing will continue to be used as a tool to retain existing customers and attract and acquire new ones with its mobile-friendly interface, in addition to our traditional points of contact consisting of our sales offices and authorized sellers. As part of the Digital Marketing Project, the purchasing process, which starts online, is integrated with the Alvima Accounting System and the After Sales Services Notification Management System and is designed to include all steps from the assignment of the authorized service to the completion of the assembly and the measurement of satisfaction with the service, and improvements are continuing. The B2B application, through which dealer processes will be managed, is planned to be launched in 2025.

PRODUCTION

Main Production Plant

Our main plant, which is located on a total of 60,000 square meters in the Gebze Organized Industrial Zone, consists of a modern complex that includes an indoor production area of 17,000 square meters, plant offices of 3,000 square meters, a testing and R&D building of 2,000 square meters, as well as social and training facilities and management offices, totaling an indoor area of 36,000 square meters. In this plant, central air conditioning

products such as air handling units, rooftop units, and fan coil devices are manufactured under the Carrier brand.

Heating Equipment Production Plant

Our heating equipment production facility, located in the Eskişehir Organized Industrial Zone on a 22,500 m² site with a 13,000 m² closed area, manufactures combi boilers, condensing boilers, circulation pumps, and heat pumps.

TRADING AND MARKETING

We have an extensive and strong sales and service network across Türkiye, serving with offices in Gebze, Ankara, İzmir, Antalya, and Adana and 127 Alarko Carrier, 58 Toshiba, 92 water group Alarko, 3 specialized Carrier dealers, and 311 after-sales service units throughout the country. In response to market trends and expectations, we also offer import products in our product range in addition to what we manufacture at our plants, by acting as a distributor for leading foreign companies.

We are customer-oriented and offer a variety of products to dealers and produce complete solutions for customers. In addition to the existing distribution channels, the momentum of sales through the e-commerce channel, which was established to create a sales channel through our website, continues at full speed. In 2024, a dealer referral and loyalty project in e-commerce sales was launched.

We offer our customers complete system solutions, as well as a very extensive product portfolio in the air-conditioning sector by complementing our portfolio with products that we procure from our partners, including

chiller units, cooling towers, dry coolers, condenser units, automatic control devices, humidifiers, cold rooms, air conditioners for operating rooms, boilers for central heating systems and auxiliary equipment for installations. We create a significant difference in customer experience by offering complete building automation solutions that convert complex commercial facilities such as shopping malls, hotels, and hospitals into “smart buildings” with our expert teams, using products of U.S. Automated Logic company, for which we are acting as a distributor. Ecoenergy, a company reducing electricity costs by monitoring energy consumption in buildings, has started pilot projects for some franchise stores.

In addition to the products we supply in the air-conditioning sector, we also specialize in special projects such as hygienic premises, data centers, and processing premises, taking strength from our experience gathered over long years and the engineering solutions we offer. We appeal to all customer profiles with our heating products, which include boilers for central heating systems and combi boilers, and radiator bundles for personal heating. As regards individual air conditioners, we are offering high-efficiency air conditioners that can be used for heating and cooling depending on the season, under the brands Toshiba, Carrier, and Alarko in compliance with the recent regulations. Totaline spare parts markets have been offering spare parts and technical services equipment for the air-conditioning and water pressurization markets since 2002. Headquartered in Kartal, Istanbul, Totaline

has five stores in İkitelli, Ankara, İzmir and Antalya. In addition to its 5 stores, Totaline started supplying products to its customers over the Internet at isk-market.com in 2020, and e-commerce sales are expected to generate as much turnover as brick-and-mortar Totaline stores by 2025.

We will continue to ensure that the appearance and functions of the corporate website match e-commerce requirements, increase the number of visitors and that the website is displayed in the top ranks by search engines. In 2024, we continued to provide our customers with promotion and discovery service via remote video conference to help them choose the most suitable combi boiler, air-conditioning, and air-purifying devices for their houses and to provide them with information on our products.

Online training and orientation of our dealers, services and employees through Alarko Carrier ACademi will continue. We will also continue to offer personal development training courses as well as legally required training courses conducted jointly by HR, OHS, and Health departments. We will be offering more video training materials with strong visual components. We were selected to perform various prestigious air-conditioning and water pressurization projects in Türkiye and abroad in 2024 as in the previous years, and will continue to undertake significant projects in line with our principle of “high-quality service and production” also in the future.

We were selected to perform various prestigious projects in Türkiye and abroad in 2024 and will continue to undertake significant projects in line with our principle of “high-quality service and production” also in the future.

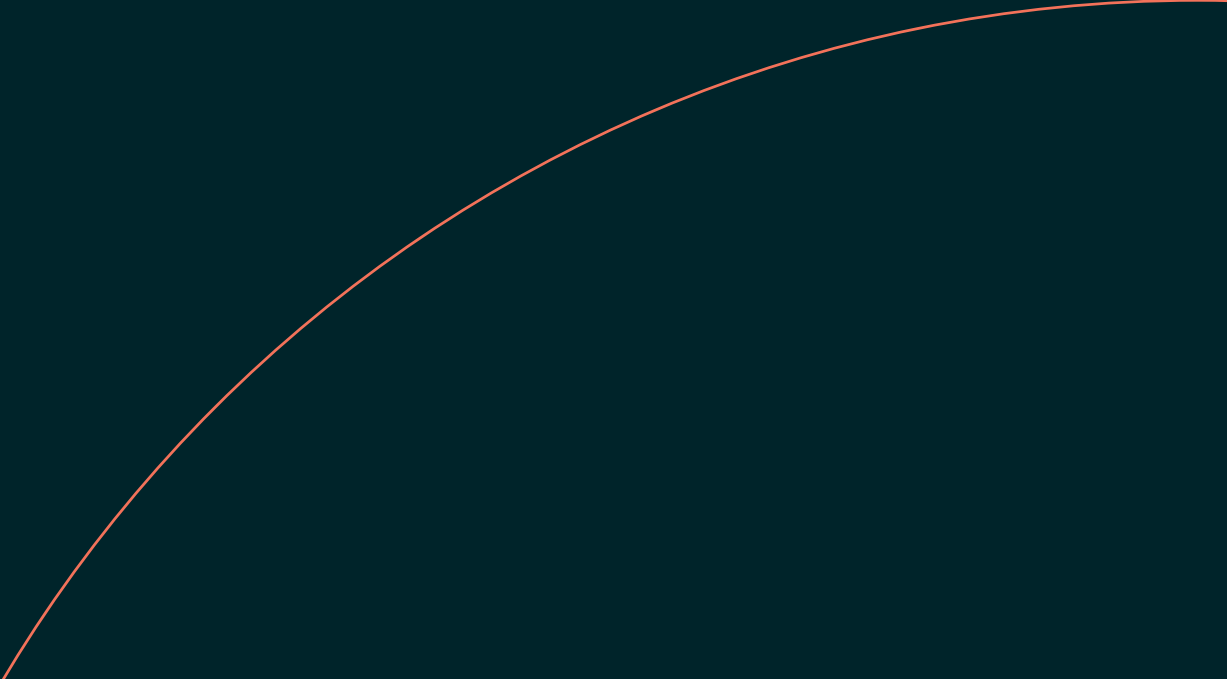




► **Tourism Group**

Redefining experience in tourism

The tourism sector, crucial for the qualified development of our country, is undergoing a transformation driven by evolving trends and sustainability objectives. We are taking our Hillside brand, known for its innovative concepts, high customer satisfaction, and nature-positive practices, to Bodrum Gündoğ an. Looking ahead, we plan to expand into a hotel chain with new investments both in T rkiye and abroad.



High quality standards

Alarko Tourism Group, a long-established leader in the tourism sector, continued to meet its guests' needs at the highest level by focusing on sustainability and maintaining high-quality standards. In line with its commitment to excellence in service, the Group upheld its leadership in the sector.

72%

Repeat Rate

Alarko Tourism Group introduced the concept of "leisure" to Türkiye, pioneering the sector with its offerings, including Hillside Beach Club, Hillside City Club, Cinecity Cinemas, and Sanda Spa, all of which provide services aligned with its "Making You Feel Good" approach. Inspired by global trends, the group manages its brands through unique solutions developed according to location, texture, and time by understanding the dynamics behind trends with its knowledge, experience, and intuition.

The Group's new hotel and holiday village project in Bodrum Gündoğan, with an 800-bed capacity, is also progressing, maintaining high-quality standards in every aspect. This project marks a significant step in the Alarko Tourism Group's transformation into a hotel chain, with new projects planned for future expansion. Developed in line with the principle of environmental sustainability, this project is poised to become one of the sector's exemplary practices with its eco-friendly approach, while also accelerating Alarko Tourism Group's growth objectives. The project is planned according to LEED Gold certification criteria.



Alarko Tourism Group, a long-established leader in the tourism sector, continued to meet its guests' needs at the highest level by focusing on sustainability and maintaining high-quality standards. In line with its commitment to excellence in service, the Group upheld its leadership in the sector in 2024. In addition to its exceptional service approach, Alarko Tourism Group was honored with the "Türkiye's Happiest Workplace" award in 2023 and ranked first in the tourism sector in surveys conducted by Happy Place to Work and Capital Magazine, further solidifying its success in this area.

HILLSIDE BEACH CLUB

Hillside Beach Club, renowned as a "paradise on earth" and a benchmark in its sector, provides guests with an unforgettable vacation experience through its friendly staff and a service approach that goes above and beyond expectations.



The 5-Star Holiday Resort, consistently elevating its service quality each season and standing out with innovative applications, successfully meets the needs of its guests at the highest level. In line with its philosophy of continuous improvement, Hillside Beach Club offered activities for all ages and interests, welcoming over 25,000 guests in the 2024 season and maintaining a competitive edge with a 72% repeat visit rate.

In 2024, Hillside Beach Club further contributed to the promotion of our country by being featured in prestigious international publications such as The Times, Conde Nast Traveler, The Telegraph, Forbes, Daily Mail, and The Sun. Hillside Beach Club was recognized as one of the “Best Beach Hotels in Türkiye” by The Telegraph, one of the most widely read publications in the UK, and was also ranked among the top hotels in Europe in the “Best Reader’s Choice 2024” awards by Conde Nast Traveller, a prestigious UK-based travel magazine.

Hillside Beach Club was honored with the “Best Family Resort on a Global Level” award at the prestigious Haute Grandeur Awards, where renowned brands from around the world compete. Additionally, Hillside Beach Club has been awarded the “Excellence in Guest Satisfaction” award by British Airways, the UK’s largest airline, for eight consecutive years.

In 2024, Hillside Beach Club was honored with the “Best Eco-Friendly Resort in Europe” award at the Haute Grandeur Awards and the “Best Luxury Sustainable Resort in Türkiye” award at the World Luxury Awards, in recognition of its sustainability initiatives, which have been in place since the early 2000s and continue to evolve through new projects each year.

Alarko Tourism Group, which excels in tourism with its trendsetting practices and high guest satisfaction rates, also stands out for its sustainable tourism efforts. Alarko Tourism Group continues to make major investments each year, adhering to the principles of environmentally friendly and sustainable tourism. In 2024, investments in this area focused on energy and water efficiency, waste management, and carbon emission reduction projects.

Hillside Beach Club considers the concept of sustainability as part of its mission to make people feel good, and focuses on activities that support the environment, people and local communities. Hillside Beach Club holds 11 international certifications, each of which requires working, improving, and auditing in different areas, and has recently received the highest level of “Sustainable Tourism Certification.”

Hillside Beach Club was honored with the “Best Family Resort on a Global Level” award at the prestigious Haute Grandeur Awards, where renowned brands from around the world compete.

Sustainability-oriented service approach

Hillside Beach Club remains one of only 1,000 hotels in the world to receive the “Travelife Gold” certificate.

Hillside City Club continued to offer its members a privileged experience in 2024, blending sports and lifestyle through various activities.

It also remains one of only 1,000 hotels in the world to receive the “Travelife Gold” certificate, which is a sustainability system implemented by the UK Travel Organisation ABTA and can be obtained by meeting 160 sustainability requirements. In addition, a tree seed is planted for each new guest in forests in different areas around Fethiye. More than 305,000 tree seeds were planted through this project, which started in 2003.

In the 2024 season, in addition to the events eagerly anticipated by its guests, like Concert on a Boat, Feel Good Week, Father Son Camp, and Tennis Cup, it has also organized various special weeks that have generated a buzz. Hillside Beach Club, where guests can enjoy a quiet or active holiday based on their preferences with events and activities that appeal to all ages and interests, hosted the “London Jazz in the Sun” event with specially selected artists and program as part of the EFG London Jazz Festival, one of the most popular festivals in Europe, and the “Summer Screenings” festival with the British Film Institute, the UK’s most prestigious institution for art and film.

Furthermore, Alarko Tourism Group ranked 6th in Türkiye in the Tourism and Accommodation Services category at this year’s “Service Export Champions” awards organized by the Turkish Exporters Assembly (TIM), which assesses service companies in 18 different sectors.

HILLSIDE CITY CLUB

Hillside City Club, located in Etiler, Istanbul, within the Alarko Tourism Group, stands out in the fitness world with its pioneering practices and has become a symbol of conscious sports. Guided by the philosophy of “much more than a sports club,” Hillside City Club continued to offer its members a privileged experience in 2024, blending sports and lifestyle through various activities.

For more than 30 years, Hillside City Club has evolved into a real-life center, developing activities that combine art, music, movies, sports, and entertainment to enhance the social lives of its members, as well as offering gym, studio and cycling classes at the Hillside Outdoor Club, which provides outdoor sports opportunities in the city, and personal classes in the Personal Training area to provide the most convenient service to its members.

Hillside City Club continuously updates the classes it offers, with an innovative approach, staying in line with the latest global trends. In this context, two new courts were opened for “padel,” a sport that has gained global popularity. Additionally, “pickleball,” dubbed the “sport of the year” by the New York Times and gaining global attention, has been added to the program.

"Hillside LIVE," a part of Hillside City Club, is known for its meticulously designed décor and presents a comprehensive program that includes live music performances, stand-up shows, special events, and movie screenings with unique concepts.

Promising more than just sports with its "Feeling Good" mission, Hillside City Club organized the "Hillside Club Market" event in May and October in 2024, a design market where the city's most exclusive brands participated in activities full of music, sports and entertainment. This year, 3.550 people visited the "Hillside Club Market" activities that brought the festival spirit to Etiler.

In addition to its indoor theaters, ING Cinecity Cinemas, which runs within the facility, provides moviegoers with the opportunity to enjoy "Başka Sinema" and a selection of vision films every Tuesday and Thursday at its Outdoor Cinema.

The Hillside City Club has become a popular meeting point in the city, offering a diverse range of brands including Live, Minoa Village, Itsumi So, Shake Up, Palms Café, Starbucks Coffee and Sanda Spa. The club's strong synergy ensures customer satisfaction and offers a wide range of experiences beyond sports.

Hillside City Club is also the first choice of brands for prestigious positioning and has long-term sponsorship agreements with leading companies such as ING Bank, Under Armour, Volvo, Philips, Efes, and Coca-Cola.

SANDA SPA

Sanda Spa, a pioneer in promoting natural spa culture and renowned for its innovative service approach in the industry, has been operating at Hillside Beach Club Fethiye for over 20 years. Having played a key role in advancing the sector, the spa offers a unique experience to its guests with over 60 relaxing therapy options using Elemis and Body Coffee products. Upholding the mission of "Making You Feel Good," Sanda Spa continues to provide these services at Hillside Beach Club and Hillside City Club in Etiler, Istanbul.

HILLSIDER MAGAZINE AND HILLSIDE NOW

Hillsider Magazine, which has captivated its readers for 29 years with inspiring content in art, music, travel, and food & beverage, proudly serves as the publication arm of Alarko Tourism Group, reaching a broad audience. Hillsider Magazine, recognized as a benchmark for quality publishing, also stands out with its exclusive interviews and striking photography. The magazine, renowned for its award-winning design and as a pioneer in corporate publishing, is considered a collector's item by its dedicated readers.

In addition to Hillsider Magazine, HillsideNOW, a channel with nearly 150,000 followers, made a pioneering move in the magazine and broadcasting industry by using Instagram stories for the first time in Türkiye, gaining significant attention in digital publishing by reaching over 5 million people per month in 2024. HillsideNOW is also recognized for its original, inspiring, and intriguing content, as well as interviews with influential people.

Hillsider Magazine, which has captivated its readers for 29 years with inspiring content, proudly serves as the publication arm of Alarko Tourism Group, reaching a broad audience.



Projects aligned with sustainable building standards

At the Land Development Group, in line with Alarko Holding's sustainability vision, we attach great importance to ensuring that the projects we carry out comply with sustainable building standards and that the carbon footprint of our existing buildings is minimized.

1 Billion US Dollars Real Estate Portfolio Appraisal

Based on valuations performed at the end of 2024, the real estate portfolio managed by our Land Development Group is approximately \$1,000,000,000. The best-use analyses are continually revised to reflect current conditions, and studies are conducted to ensure that they can be developed at the right time.

The Land Development Group, in line with Alarko Holding's sustainability vision, is committed to developing sustainable structures in new projects and reducing the carbon footprint of existing ones.

Immovable Properties of Konut İnşaat A.Ş.;

In line with the strategy outlined above, the sale of our Tuzla Orhanlı land, for which a 100,000 m² logistics warehouse building license was obtained in 2023, was completed for TL 1,856,847,751.13, including VAT.

Immovable Property of Alarko Holding

The first stage of the archaeological excavations on our Büyükdere property has been finalized. The former Ragıp Pasha Mansion on the property has been designated as a "cultural asset in need of protection," and the survey of its ruins has been approved. It is aimed to complete the second stage of excavations during this year.

Immovable Properties of Alarko GYO

Alarko Real Estate Investment Trust owns a touristic facility in Bodrum, which is currently under construction. Significant progress has been made in the design phase of the construction of this facility and construction activities are continuing rapidly. There have been significant variances in project costs due to higher-than-expected construction inflation, but new financing opportunities will allow the project IRR to increase.



The tourism facility in Fethiye is currently undergoing major renovations, which are expected to be completed within this year.

The survey approval for our building in Karaköy, a historical monument, has been obtained. Restitution drawings have also been submitted for approval. Preparations for the restoration of the building have also begun.

In 2025, efforts will continue to develop our properties in Maslak and Büyükcçekmece in the most appropriate way.

The municipality is currently developing new zoning regulations for our factory land in Eyüp District, and upon finalization, it will be more favorable for development compared

to the previous zoning status. Once finalized, cooperation with an expert developer in the region or sale alternatives will be explored.

Immovable Property of Alarko Carrier

In 2025, efforts will continue to develop the plot located at the Tuzla Infantry School intersection, currently used as an open warehouse, in the most suitable manner through zoning.

Al-Riva Companies

Efforts will continue to sell or otherwise utilize the land in these companies' portfolios in the medium term.





► Agriculture Group

Redefining the future of food

As climatic conditions change, agricultural production is also evolving. We grow zero-pesticide products in our modern greenhouses, where we use geothermal resources in a circular model. Additionally, we are involved in seed breeding, as well as the production of microgranular fertilizers and dried food. By 2028, we aim to expand our greenhouse area to a total of 10,000 decares, with 5,000 decares in Türkiye and 5,000 decares in Kazakhstan, positioning ourselves as a key player in the supply of safe and healthy food.

Adding value to the future with sustainable agriculture

Alarko Agriculture Group operates in modern greenhouse farming, niche fertilizer production, seed breeding, and the food industry.

14

**Modern
Greenhouses**

SUSTAINABLE AGRICULTURAL ACTIVITIES

Alarko Agriculture Group, which started its activities within Alarko Holding at the beginning of 2023, operates in four main sectors, including modern greenhouse farming, niche fertilizer production, seed breeding, and the food industry.

As the global population grows rapidly, the risks and threats posed by climate change have elevated the continuity and sustainability of food supply—a strategic sector—to a high-priority agenda item. Accordingly, Alarko Holding launched its investments in the agricultural sector in 2023 with a focus on sustainable development. Alarko Agriculture Group began its operations with a planned and highly efficient business model, integrating innovation and technology into its practices, and prioritizing digitalization over traditional methods in the sectors it operates. Alarko Agriculture Group aims to participate in the entire value chain in the agriculture and food sector to ensure humanity's access to sufficient, healthy, and high-quality food while building a sustainable business model in harmony with nature.

Alarko Holding is expected to invest approximately 630 million dollars in Türkiye, by the end of 2028, through the Alarko Agriculture Group. Alsera's Kazakhstan subsidiary, TOO Alsera KZ, will invest approximately 650 million dollars by the end of 2029.

Focusing on production investments and infrastructure installation activities in 2024, Alarko Agriculture Group has made a total investment of over 300 million dollars in the last two years. At the end of 2024, Alarko Agriculture Group, with operations spanning 26 locations across 8 cities in Türkiye and Kazakhstan, had approximately 1,200 employees. In line with the social sustainability axis, 70% of the workforce consists of female employees. The goal is to increase this ratio to 75% during the ongoing investment period.

Aiming to produce clean and safe food, Alarko Agriculture Group implements various projects and investments to maximize resource efficiency through the use of technology and innovation. In 2024, to minimize the environmental impact, carbon and water footprint measurement activities were initiated for all operations in the first phase. In 2025, in line with the Group's sustainability strategy, the goal is to design and implement projects aimed at reducing the current carbon and water footprint.

Challenging factors such as the climate crisis, depletion of natural resources, and the degradation of agricultural land over time necessitate planned production, increased productivity per unit area, and optimized resource use. Alarko Agriculture Group aims to achieve high product efficiency by fully utilizing the opportunities provided by technology and digitalization, guided by the principles of food health and safety. To this end, it has undertaken project planning activities to invest in smart agricultural technologies and applications in 2024.

+1

**Billion
US Dollars**

**Investment
Budget
(Türkiye and
Kazakhstan)**



FIELD OF ACTIVITIES

Modern Greenhouse Farming

Türkiye, situated on an active tectonic belt due to its geological and geographical location, ranks first in Europe and seventh globally in geothermal energy resource potential. Additionally, the region's climate and temperature conditions create an ideal environment for greenhouse cultivation.

Building on this advantage, Alarko Agriculture Group's Alsera company establishes and operates modern greenhouses utilizing automation technology in Afyonkarahisar, Eskişehir, and Denizli, where geothermal energy resources are abundant. The company has reached a total of 14 modern greenhouses in these 3 locations and a total of 1,200 decares of net greenhouse area by the year 2024. Investment in new modern greenhouses is ongoing. The goal is to reach a total of 5,000 decares of modern greenhouse area in these provinces by the end of 2028.

Alsera has started with Too Alsera KZ, located in Shymkent, Kazakhstan, the construction of a 400-decare greenhouse as the first phase of the project on 2,000 decares of land. The company aims to become one of the world's leading companies in its sector with a combined 10,000 decares of modern greenhouses in Türkiye and Kazakhstan.

In 2024, Alsera mainly produced tomatoes and started growing peppers in the second half of the year. In 2024, the automation systems in greenhouses were strengthened with additional modules and applications. Alsera, operating under the principles of Good Agricultural Practices, employs integrated biological, technical, and mechanical methods in pest control within its greenhouses and utilizes innovative technologies to produce crops without the use of pesticides. The products have "No-Residue" certificates registered by independent EU-accredited laboratories.

Aiming to produce clean and safe food, Alsera implements various projects and investments to maximize resource efficiency through the use of technology and innovation. Thanks to optimization efforts and additional investments in 2024, Alsera has reduced water usage by 72% compared to traditional farming methods. In addition, to minimize the environmental impact, carbon and water footprint measurement activities were initiated for all operations in the first phase.

Alsera implements various projects and investments to maximize resource efficiency through the use of technology and innovation.

Aiming to be a global pioneer

As of 2024, Alsera has expanded its exports to a total of 20 countries and aims to continue improving its market diversity and export performance in 2025.

Palmira Agro Gübre Sanayi ve Ticaret A.Ş. commenced its operations in September 2024 as Europe's largest new-generation microgranular fertilizer plant equipped with the world's first hybrid production technology.

In the greenhouses currently under construction, which are set to begin production in 2025, it is planned to invest in rainwater harvesting to allow for the circular use of water. In 2025, optimizing the geothermal infrastructure works carried out in the previous year will be a key agenda and follow-up item. The preliminary work completed in 2024 for using intelligent farming technologies will be expanded in 2025. In addition, various projects are being developed for using plant waste as part of waste management efforts.

Alsera aims to become a prominent player in the global fresh produce sector with its modern greenhouses in Türkiye and Kazakhstan. Due to its geographical location, Türkiye has quick access to a wide geography. No-residue products are in high demand in Europe and other countries, which are key markets in our immediate geography. As of 2024, Alsera has expanded its exports to a total of 20 countries and aims to continue improving its market diversity and export performance in 2025.

When 5,000 decares of greenhouse area are reached in Türkiye, the total employment is expected to be at least 5,000 people, 80% of whom will be women. The new greenhouses at Mahmudiye, Eskişehir, will be designed as a campus, offering a variety of options to meet the needs of employees, contributing to gender equality and creating productive working conditions.

Niche Fertilizers

Palmira Agro Gübre Sanayi ve Ticaret A.Ş. which joined Alarko Agriculture Group in May 2023, commenced its operations in September 2024 as Europe's largest new generation microgranular fertilizer plant equipped with the world's first hybrid production technology. Located in Çankırı Yakıncık Organized Industrial Zone on an area of 26,500 square meters, the plant has an annual production capacity of 12,000 tons. The plant uses 65% less energy in production, emits 65% less CO₂ emissions, and uses 70% less water with its advanced technology. Furthermore, 35% of the total energy consumption will be provided by the SPP with 1,207.80 kWp capacity. Palmira Agro invested approximately USD 20 million in its Çankırı plant.

Bottom fertilizers, which are used very intensively to increase crop yields, do a great deal of damage to the organic structure of soils and underground water. One of the innovations in this area is the use of microgranular fertilizers. Microgranular fertilizers are placed close to the seed due to their small size and structure, allowing the plant to reach the nutrients faster. Thus, up to ten times fewer chemical fertilizers are used per decare compared to conventional fertilizers. This also saves transportation, storage, labor, fuel, and time, and offers significant efficiency in production costs.

In 2024, in addition to the opening of the production facility, the distributor network was finalized and various brands were added to the existing commercial and brand collaborations. Palmira Agro offers a wide product range, including products manufactured by Palmira Agro itself, Palmira Agro-branded products produced by its suppliers, and products from other companies for which Palmira Agro serves as a distributor. In 2024, Palmira Agro developed an applicator designed to facilitate the use of microgranular fertilizer in the field, addressing the challenge posed by its small size. This applicator will allow farmers to maximize the use of microgranular fertilizers.

Seed Breeding

Seed breeding is a very strategic and important sector for the security of supply and continuity of food in the world. One of the objectives is to ensure food security and continuity of supply by producing productive seeds suitable for Türkiye's climate and geography that will contribute to food security.

Alarko Agriculture Group operates through Genseed in Kurşunlu, Antalya, for seed breeding and production, a strategic product. The facility in Kurşunlu, Antalya, has an open area of 27 decares and a closed area of 18 decares. Genseed carries out seed breeding that focuses on local climate and soil conditions. In the first phase, Genseed aims to reach the final commercial product in the tomato and pepper product groups. To this end, the company uses its rich and diverse genetic material for breeding activities.

In 2024, we invested in a total of 200 decares for seed breeding, including 100 decares in Eskişehir Mahmudiye and 100 decares in Antalya Karaöz. This investment was made to ensure the availability of a diverse range of seeds for both soil and soilless agricultural use.

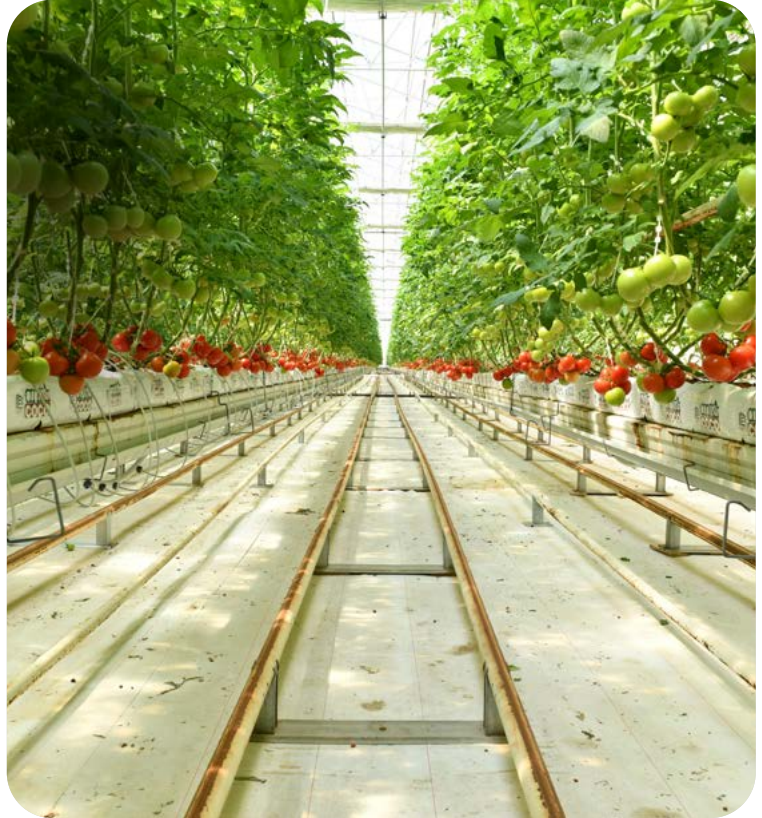
In 2024, preparations were made for the establishment of a plant tissue culture laboratory and molecular genetics laboratory to be located at the Headquarters. The "seed breeder certificate" and "researcher organization certificate" were obtained from the Ministry of Agriculture and Forestry in 2024.

Food Industry

Following the pandemic, there has been a global increase in interest in healthy and nutritious food, as well as in overall nutrition. The demand for healthy snacks and raw materials for the food industry continued to grow in the subsequent years. Alarko Gıda Sanayi specializes in drying various fresh fruits and vegetables to supply raw materials, intermediate products, and high-value-added products for the food sector and industry. Alarko Gıda Sanayi, which primarily focuses on industrial production, also provides "branded production" services for various companies. Gıda Sanayi currently produces dried versions of 14 different fruit varieties and 31 different vegetable varieties, available in various sizes and dimensions to meet diverse needs.

In December 2024, the Mersin plant was relocated to its new facility in the Konya Ereğli Organized Industrial Zone (Konya Ereğli OSB), covering a closed area of 12,000 square meters on a 49,000 square meter plot. The plant has a production capacity of 7,500 tons.

Alarko Gıda Sanayi, which primarily focuses on industrial production, also provides "branded production" services for various companies.

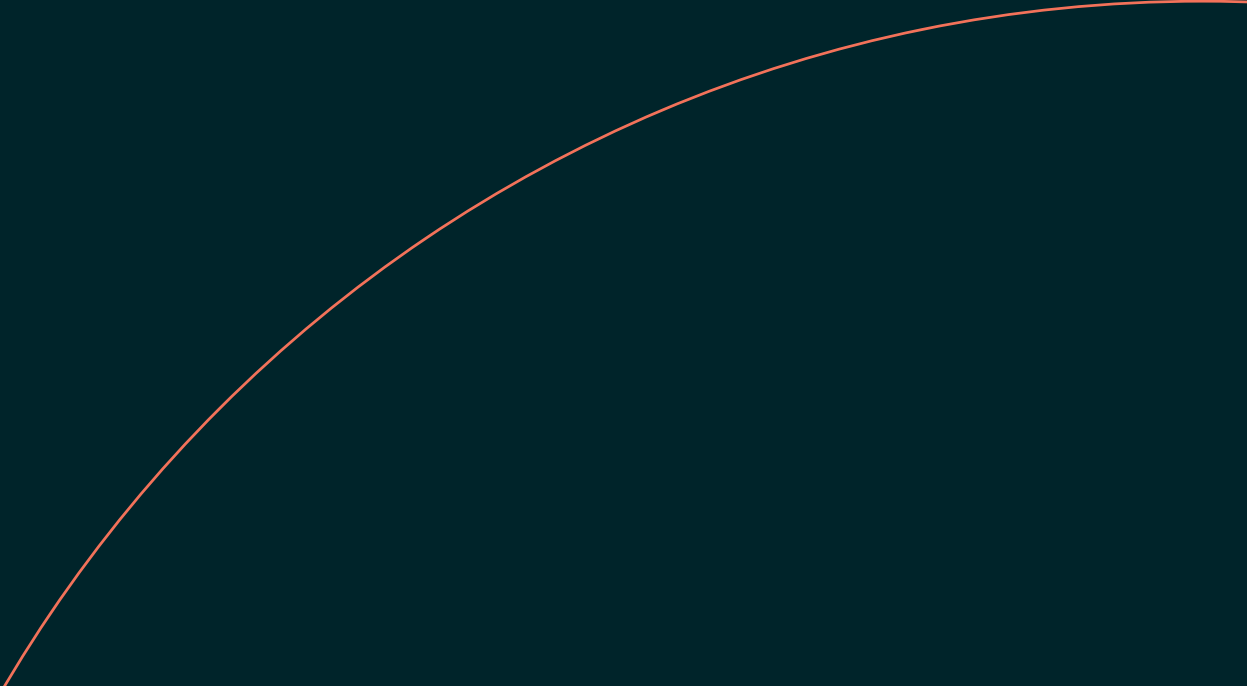




► **Investment Group**

Redefining the power of investments

As we continue to grow through new investments in sectors vital for the future, we expand our influence by investing in successful start-ups and publicly traded companies that will drive the development of our Group. In this context, we manage approximately USD 42.5 million in funds annually.



Dynamic, flexible and high-yielding portfolio

With a medium and long-term investment perspective, Alarko Investment Group has focused on identifying opportunities that enhance portfolio performance while also adding value to the broader ecosystem.

69.7

Million
US Dollars

Capital
Investments

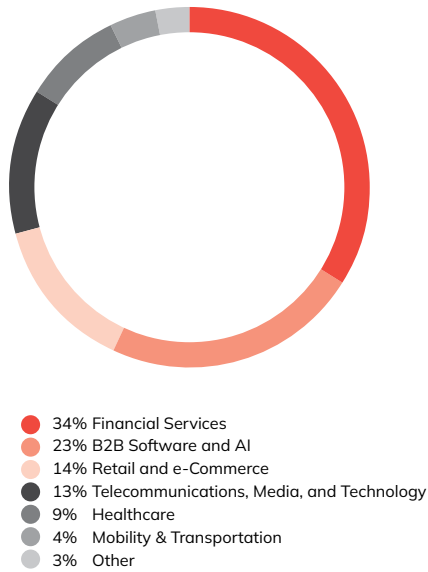
In 2024, Alarko Investment Group, operating under the Alarko Capital umbrella, continued its commitment to building a dynamic, flexible, and high-yielding portfolio by adopting a strategic approach to investments in publicly traded shares, private equity, and venture capital. With a medium and long-term investment perspective, the group has focused on identifying opportunities that enhance portfolio performance while also adding value to the broader ecosystem.

As of 31 December 2024, Alarko Capital has made a total capital investment of USD 69.7 million since its inception, securing over 49 investments, which highlights the success of the group's diversified and strategic investment approach. We consider these investments as partial partnerships in high-quality businesses. In general, Alarko Holding owns at least 50% of the companies in which it invests, and in most cases, it holds 100%, thereby ensuring control or joint control. On the other hand, Alarko Capital holds minority stakes in several promising large and small enterprises. While many of these businesses deliver high returns on equity, Alarko Capital seeks to acquire these minority stakes at favorable prices.



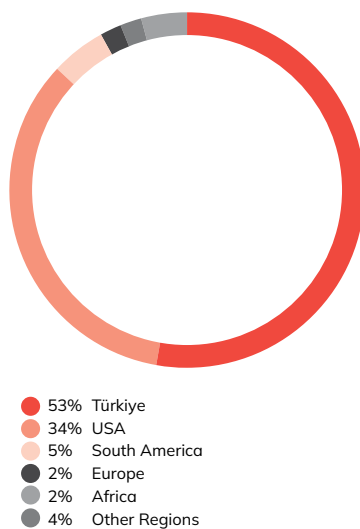
Alarko Capital follows a sector-agnostic approach, with diversification as a central pillar of its investment philosophy. The portfolio's broad diversification enables Alarko Capital to capitalize on growth opportunities across various sectors while maintaining a balanced risk profile. Financial services constitute the largest share of the portfolio at 34%, followed by B2B software and artificial intelligence at 23%. Retail and e-commerce investments represent 14% of the portfolio, while the telecommunications, media, and technology (TMT) sector accounts for 13%. Investments in the healthcare sector constitute 9% of the portfolio, while the mobility and transportation sector holds a 4% share. The remaining 3% is allocated across various other sectors.

Sectoral Breakdown (%)



The geographical distribution of the portfolio highlights a strong international presence, with 47% of the investments made abroad, alongside a significant portion within Türkiye. The United States holds the largest share of foreign investments at 34%, followed by South America at 5%, Europe at 2%, Africa at 2%, and other regions collectively accounting for 4%. This diversified structure allows Alarko Capital to maintain a strong foothold in the local market while effectively leveraging global investment opportunities.

Geographical Distribution of Investments (%)



Alarko Holding has established itself as an international portfolio company through its strategic approach, positioning Alarko Capital as a core business line. The Investment Group aims to create a structure capable of investing in opportunities of all sizes by operating in Public Equity, Private Equity and Venture Capital. In 2020, the group launched its venture capital investments under Alarko Ventures. By 2023, it

expanded its scope to include private equity and publicly traded share investments, evolving into Alarko Capital as it operates today.

Alarko Capital evaluates all its investments purely from a financial standpoint, focusing solely on financial returns without pursuing strategic synergies.

In the Public Equity segment, Alarko Capital has focused its investments primarily on publicly traded companies listed on Borsa Istanbul ("BIST"). Through ALSER, a company established in 2023 to manage investments in this area, Alarko Capital makes investments based on medium- and long-term analyses and strategies. Alarko Capital evaluates its investments with a global investor mindset, developing strategies that are focused on long-term sustainable growth. Investment strategies aim to generate high returns over the long term, rather than being driven by short-term trends or annual returns.

The Private Equity strategy seeks to build a balanced and diversified portfolio through direct investments, fund investments, and co-investments. Alarko Capital focuses on direct investments in resilient companies with a strong risk-return profile, aiming to create long-term value. Alarko Capital also leverages the expertise of top fund managers by investing in leading international growth funds and secondary funds. Co-investment opportunities enable the Group to engage in larger transactions alongside experienced private equity sponsors, providing cost-effective access to high-quality deals.

In Venture Capital, Alarko Capital is deeply committed to fostering innovation and investing in emerging technologies. The investment group directly invests in early-stage ventures led by visionary entrepreneurs and also participates in venture capital funds to gain broader access to high-potential ventures. The venture capital strategy focuses on scalable business models with significant growth potential. While the US market remains the primary target, the Group also seeks to add value to fast-growing technology companies by capitalizing on opportunities globally.

Alarko Capital remains dedicated to making strategic investments with a medium- to long-term focus, aimed at enhancing the resilience, flexibility, and return potential of its portfolio. Continuing to diversify across sectors and geographies, and seizing opportunities in publicly traded shares, private equity, and venture capital, the investment group will remain focused on capturing high growth potential and creating value for all stakeholders. In the coming years, Alarko Capital will maintain its focus on strategic portfolio expansion, actively seeking attractive opportunities and emerging global trends, for generating long-term sustainable value.

In Venture Capital, Alarko Capital is deeply committed to fostering innovation and investing in emerging technologies.

Capital and Share Ratios of Subsidiaries and Affiliates

The titles, fields of activity, direct and indirect ownership interests of the Company's subsidiaries, affiliates and joint ventures are listed below.

Title of the Subsidiaries and Affiliates	Field of Activity	Share Capital (TL)	Direct Participation Share (%)	Direct and Indirect Participation Share (%)
Alarko Carrier Sanayi ve Ticaret A.Ş.	Heating, Cooling, Air Conditioning Equipment Manufacturing, Contracting, Tourism	10,800,000	42.03	42.03
Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş.	Complete Plant Contracting, Construction, and Tourism	3,988,750,235.22	99.91	99.99
Alarko Fenni Malzeme Satış ve İmalat A.Ş.	Marketing of Industrial Products and After-Sales Services	230,000	88.68	100.00
Attaş Alarko Turistik Tesisler A.Ş.	Tourism Facility Management	21,500,000	0.46	99.99
Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.	Purchase and Sale of Immovable Property and Market Instruments Based on Immovable Property	289,800,000	16.41	51.23
Alen Alarko Enerji Ticaret A.Ş.	Trading, Import and Export of Electricity	2,000,000	16.95	100.00
Altek Alarko Elektrik Sant. Tes. İşl. ve Tic. A.Ş.	Electric Energy Generation	350,000,000	10.60	100.00
Alarko Enerji A.Ş.	Energy Generation	226,975,276.31	89.24	100.00
Aldem Alarko Konut İnşaat ve Ticaret A.Ş.	Housing, Construction	5,348,776.48	100.00	100.00
Al-Riva Projesi Arazi Değerlendirme Konut İnşaat ve Tic. A.Ş.	Housing, Construction	6,839,063.84	11.55	12.14
Al-Riva Arazi Değerlendirme Konut İnşaat ve Tic. A.Ş.	Housing, Construction	3,308,555.70	2.49	2.63
Al-Riva Arazi Değerlendirme Konut İnşaat Turistik Tesis. Golf İşl. ve Tic. A.Ş.	Housing, Construction, and Tourism Facility Management	10,489,764.84	2.16	2.28
AO Mosalarko	Design, Construction and Use of Immovable Properties	Rubles 30.000.000	-	51.23
Alarko Tarım Sanayi ve Ticaret A.Ş.	Agriculture, Food & Food Business and Technologies	850,000,000	100.00	100.00
Alyat Teknoloji Yatırımları Holding A.Ş.	Activities of Holding Companies	900,000,000	99.88	99.88
Alarko Konut Projeleri Geliştirme A.Ş.	Real Estate Development, Construction and Marketing	22,193,713	-	99.99
Alsera Jeotermal Tarım Gıda San. ve Tic. A.Ş.	Greenhouse Farming Using Geothermal Energy	712,373,800	-	100.00
Alser Alarko Sermaye Yatırımları Holding A.Ş.	Activities of Holding Companies	1,250,000,000	58.18	100.00
Palmira Agro Gübre Sanayi ve Tic. A.Ş.	Microgranular Fertilizer Production	7,500,000	-	80.00
Alarko Dijital Teknoloji Çözümleri A.Ş.	Information Technology	10,000,000	100.00	100.00
Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş.	Building, Transferring or Operating an Electricity Distribution Facility	214,560,000	0.0006	50.00
Meram Elektrik Dağıtım A.Ş.	Electricity Distribution	496,032,904.58	0.0000	50.00

Title of the Subsidiaries and Affiliates	Field of Activity	Share Capital (TL)	Direct Participation Share (%)	Direct and Indirect Participation Share (%)
Meram Elektrik Enerjisi Toptan Satış A.Ş.	Electric Energy Trading	4,050,000	0.1	50.00
Meram Elektrik Perakende Satış A.Ş.	Electric Energy Trading	13,545,520.42	0.0001	50.00
Cenal Elektrik Üretim A.Ş.	Establishment and Operation of Power Plants	1,854,012,350	-	50.00
Utilitek Bilgi Teknolojileri A.Ş.	Computer Programming Activities	10,000,000	-	50.00
Alarko Havacılık Endüstri Yatırımları A.Ş.	Aviation and Aircraft Technical Maintenance	350,000,000	100.00	100.00
Alarko Gübre Fabrikaları San. ve Tic. A.Ş.	Fertilizer Production and Marketing	400,000,000	-	100.00
Alarko Gıda Sanayi ve Ticaret A.Ş.	Food, Food Operations	62,124,000	-	100.00
Genseed Tohum Islah ve Üretim A.Ş.	Seed Breeding and Production	100,000	-	80.00
Albi Bitkisel İlaç Ham Maddeleri Üretim San.ve Tic. A.Ş.	Herbal Medicine Raw Materials	1,000,000	-	100.00
Sanrose Tarım Sanayi ve Ticaret A.Ş.	Greenhouse Production, Trading and Marketing of Flowers	60,000	-	25.00
Beybur Tarım ve Hayvancılık A.Ş.	Agriculture	300,000,000	-	100.00
Nata Tarım Üretim ve Ticaret A.Ş.	Greenhouse Farming Using Geothermal Energy	15,050,000	-	100.00
İpeks Jeotermal Enerji Sanayi ve Ticaret A.Ş.	Greenhouse Farming Using Geothermal Energy	3,000,000	-	49.00
Samdi Tarım Üretim ve Ticaret A.Ş.	Greenhouse Farming Using Geothermal Energy	1,300,000	-	100.00
Jedi Tarım Üretim ve Ticaret A.Ş.	Greenhouse Farming Using Geothermal Energy	1,300,000	-	100.00
Mekredi Tarım Üretim ve Ticaret A.Ş.	Greenhouse Farming Using Geothermal Energy	50,000	-	100.00
TOO Alsera KZ	Agriculture	6,377,509,999.06	-	100.00
Camser Tarım Gıda A.Ş.	Agriculture, Greenhouse Farming	7,000,000	-	51.00
Seraf Tarım ve Hayvancılık A.Ş.	Agriculture	16,500,000	-	100.00
Alfor Aviation and Technical Services Ltd.	Aviation and Aircraft Technical Maintenance	GBP 10,000	-	51.00
Saret KZ	Construction Works	KZT 600,000	-	100
Bakad Investment & Operation LLP	Construction Works	KZT 65,759,065	-	33.30
Bakad International B.V.	Holding	USD 154,211,309	-	33.30
Alsim Alarko SRL	Construction	RON 240,000	-	99.99
BARR Operation and Maintenance LLP	Motorway Maintenance and Operation	KZT 23,000,000	-	25.00

Earnings from Subsidiaries and Affiliates

a) Below is a detailed breakdown of the Holding's share of the dividends distributed by our subsidiaries and affiliates over the past three years.

	(TL)		
Title of the Subsidiaries and Affiliates	2022	2023	2024
Alarko Carrier Sanayi ve Ticaret A.Ş.	-	37,826,085	-
Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.	17,441,890	31,712,528	24,973,615
Alarko Tarım Sanayi ve Ticaret A.Ş. (*)	114,347	-	-
Attaş Alarko Turistik Tesisler A.Ş.	-	328,216	670,344
Alarko Konut Projeleri Geliştirme A.Ş.	10	-	-
Alarko Enerji A.Ş.	-	788,198,379	1,187,245,891
Altek Alarko Elektrik Sant. Tes. İşl. ve Tic. A.Ş.		81,614,585	10,604,506
Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş.	12,143	4,550	51,994
Meram Elektrik Perakende Satış A.Ş.	-	456	-
Alarko Fenni Malzeme Satış ve İmalat A.Ş.	-	-	44,337,902.18
TOTAL	17,568,390	939,684,799	1,267,884,252

b) The 2023 profits of our subsidiaries and affiliates under the management of Alarko Group, from which we derive affiliate and subsidiary income, and the dividend amounts approved for distribution from the distributable profit, after deducting legal reserves and taxes, are as follows:

Alarko Group Subsidiaries and Affiliates	Profit for 2023	Distributable Profit (A)	Distributed Dividends (B)	(B/A) %
Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.	708,696,520	692,596,520	152,145,000	22
Attaş Alarko Turistik Tesisler A.Ş.	261,847,148	211,602,322	145,000,000	69
Alarko Enerji A.Ş.	1,842,554,325	1,565,382,246	1,330,380,742	85
Altek Alarko Elektrik Sant. Tes. İşl. ve Tic. A.Ş.	252,079,400	195,871,442	100,000,000	51
Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş.	9,540,557,720	9,149,841,160	8,319,012,691	90
Alarko Fenni Malzeme Satış ve İmalat A.Ş.	88,655,624	68,126,867	50,000,000	73

Business Volume and 2025 Perspectives

BUSINESS VOLUME

The table below presents to our esteemed shareholders the turnover achieved over the past five years, reflecting the outcomes of the activities disclosed in the previous sections of this report.

Companies and Entities by Field of Activity

Turnover (TL million)	2020*	2021*	2022*	2023**	2024**
Contracting and Land Development	1,170	4,258	10,831	9,157	4,669
Energy	12,297	19,802	60,123	45,680	33,356
Industry and Trade	809	1,265	2,210	3,827	2,957
Tourism	141	300	600	1,958	1,924
Agriculture	-	-	-	331	1,010
TOTAL	14,417	25,672	73,764	60,953	43,916

(*) The turnover figures include our subsidiaries, affiliates and, joint ventures, representing total amounts before elimination.

(**) Amounts expressed in terms of the purchasing power at the reporting date, adjusted in proportion to the group's share after elimination

2025 PERSPECTIVES

Our company is committed to planning and has a tradition of reflecting this in its annual reports. By presenting the 2024 results along with our 2025 projections, we hope to contribute to the comparison and evaluation.

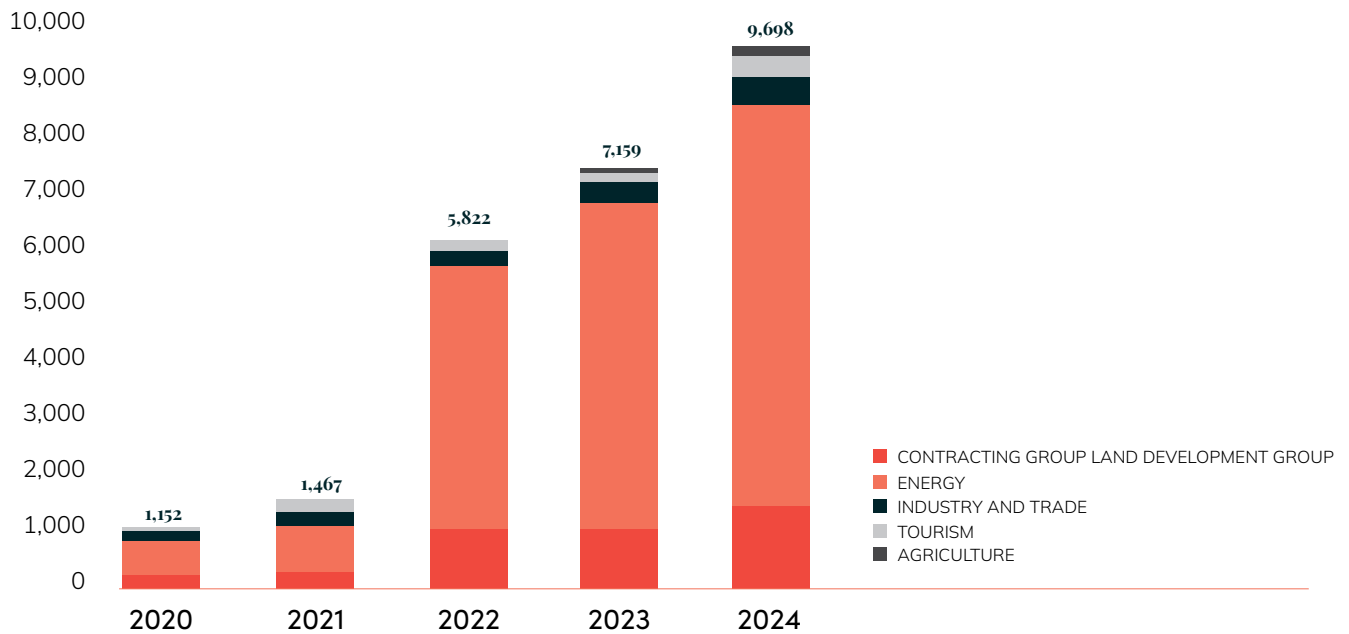
Accordingly, the turnovers planned for 2025 are as follows by activity groups:

Companies and Entities by Field of Activity	2025 Turnover Target (*) (TL million)
Contracting and Land Development	5,772
Energy	41,232
Industry and Trade	3,597
Tourism	2,429
Agriculture	5,657
TOTAL	58,687

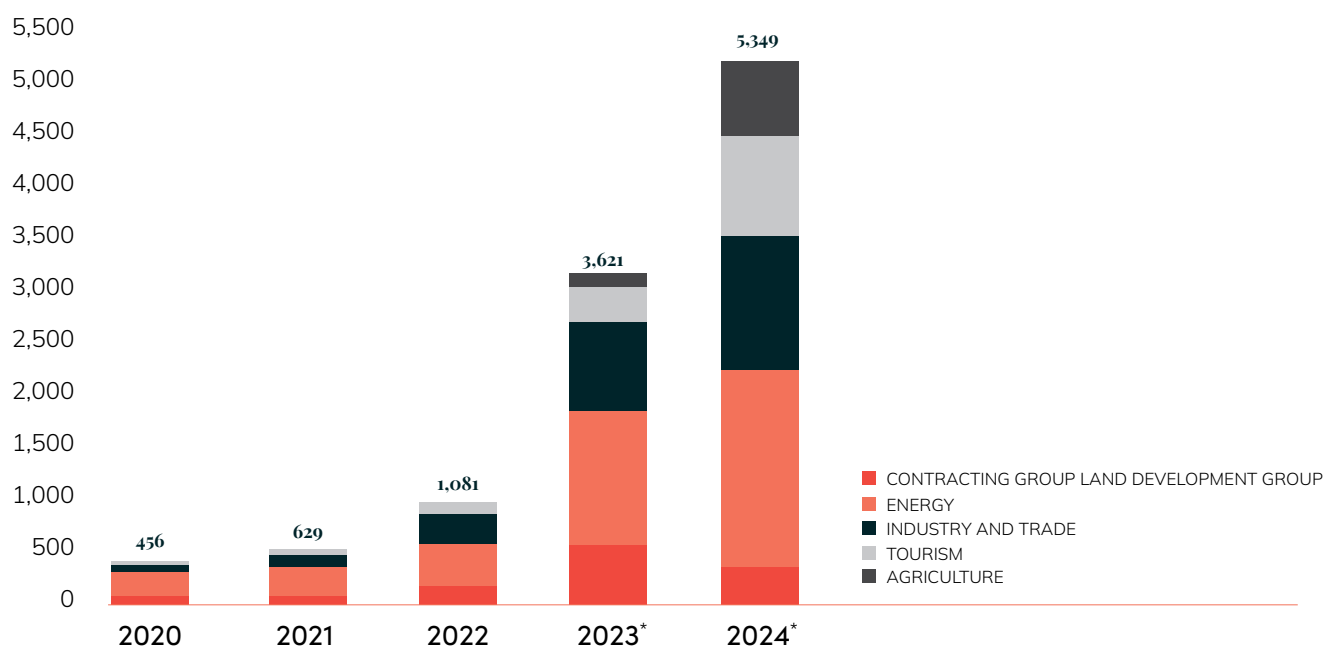
(*) The turnover of our subsidiaries, affiliates, and joint ventures is included in these amounts. The turnover in question shows the amounts adjusted in proportion to the group's share elimination.

Taxes Paid and Personnel Expenses

Taxes Paid (TL million)



Personnel Expenses (TL million)



(*) Expressed in purchasing power at the reporting date.

Developments in the Last Five Years

The following is a summary of the development trend of our Holding's comparative balance sheet items, profit/loss for the period, affiliates, and dividends distributed over the last five years:

	2020	2021	2022	2023**	2024**
Profit/Loss before Tax (TL)	948,118,476*	1,531,958,979*	16,433,699,676*	9,845,324,262*	2,720,785,443*
Capital (TL)					
Issued Capital					
- Bonus share provision	430,047,284	430,047,284	430,047,284	430,047,284	430,047,284
- in Cash:	4,952,716	4,952,716	4,952,716	4,952,716	4,952,716
Total	435,000,000	435,000,000	435,000,000	435,000,000	435,000,000
Registered	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Dividends					
Net dividend amount (TL per each share of TL 1)					
- Based on capital paid in cash	10,303	18,181	26,085	179,373	197,676
- Based on issued capital including bonus shares	0.1173	0.207	0.297	2.042261	2.2506537
Net dividend ratio					
- Based on capital paid in cash	1,030.25%	1,818.09%	2,608.56%	17,937.30%	19,767.62%
- Based on issued capital including bonus shares	11.73%	20.70%	29.70%	204.2261%	225.06537%

* Consolidated amounts.

** Expressed in purchasing power at the reporting date.

Additional Information Regarding Our Activities

Additional Information Regarding Our Activities

- 1- The Company and the Directors have not engaged in any practices in violation of the legislation, and no administrative or judicial sanctions have been imposed on the Company or the Directors.
- 2- No extraordinary general meeting of shareholders was held during the period.
- 3- During the period, there were no legislative amendments that could have a significant impact on the Company's activities.
- 4- There are no issues requiring disclosure that may affect the rights of shareholders, creditors, and other related persons and organizations after the end of the activity year until the date of this report.
- 5- The share buyback transactions started with the decision of the Board of Directors dated 29.05.2024 and were completed on 08.01.2025. As part of the buyback program, TL 419,083,910 was used to acquire 4,350,000 nominal shares, representing 1% of the Company's capital. The acquisition was financed with Company funds. Following these transactions, the total nominal amount of the Company's shares reached TL 9,950,000 and the ratio of these shares to the share capital is 2.287%.
- 6- No capital market instruments were issued during the period.
- 7- There is no conflict of interest between the Company and the organizations that offer services like investment consulting and credit rating.
- 8- The targets set in the previous periods have been achieved and the decisions made at the General Meeting of Shareholders have been implemented.
- 9- During the accounting period, 2 internal audits and 2 independent audits were conducted, and no issues were identified. No public and private audits were conducted.
- 10- The total amount of investments made in 2024 is TL 13,533,084,295.
- 11- Our company is a controlling company as defined in Article 195/1 of the Turkish Commercial Code. No legal action has been initiated by any subsidiary for the benefit of our Company or its subsidiaries under the direction of our Company. Accordingly, no measures were taken or avoided by any subsidiary for the benefit of our Company or its subsidiaries in the previous fiscal year.

All transactions conducted between our Company and its subsidiaries adhere strictly to prevailing market conditions and applicable legal regulations. Consequently, there are no transactions necessitating equalization in accordance with Article 199 of the Turkish Commercial Code.

POWERS AND LIMITATIONS OF THE BOARD OF DIRECTORS

The Chairman and members of the Board of Directors represent the Company under the applicable articles of the Turkish Commercial Code and the Company's Articles of Association.

FINANCIAL RIGHTS PROVIDED TO THE BOARD MEMBERS AND TOP EXECUTIVES

Except for the independent members, no financial benefits such as attendance fees or dividends were granted to other members. In 2024, the total gross amount of salaries and similar benefits provided to the Independent Members and officers amounted to TL 562,885,780. No allowances, travel, accommodation, representation expenses, in-kind or cash benefits, insurance, or similar guarantees were provided to the Board Members.

SHARE OF CONSOLIDATED ENTITIES IN THE PARENT COMPANY'S CAPITAL

Among the consolidated companies, Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. holds the parent company's shares in the amount of TL 1,183,962. Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. TL 348,778, and Aldem Alarko Konut İnşaat ve Ticaret A.Ş. TL 3,143. These shares represent 0.35% of the Parent Company's nominal capital.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION MADE DURING THE PERIOD

Alarko Holding A.Ş. Board of Directors decided as follows on 25.09.2024;

1. The text of the amendment to the Articles of Association, adopted under the decision of the Board of Directors of our Company dated 14.03.2024 and numbered 929, will be revised,
2. Since the five-year registered capital ceiling authorized by the Capital Markets Board expired in 2024, an extension will be sought, increasing our company's registered capital ceiling from TL 500,000,000.00 to TL 2,000,000,000.00. Accordingly, authorization will be obtained once again from the Capital Markets Board in compliance with the "Registered Capital System Communiqué" (II-18.1).
3. In accordance with the Capital Markets Board regulations on the registered capital system, Article 8 of the Company's Articles of Association will be amended as outlined in the Amendment Text. Following the necessary approvals, the revised registered capital ceiling will be submitted for approval at the next General Meeting of Shareholders,
4. In accordance with the Amendment Text attached to this Board of Directors' decision,
 - Articles 7, 8, 9, 17, 18, 24, 26, 27, 28, and 30 of the Articles of Association will be amended,
 - Articles 10, 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 25, 29 which were previously repealed, will be amended,
 - Articles 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 66, and 67 as well as previously repealed Articles 31, 45, 46, 47, and 65 will be removed from the Articles of Association,
5. Necessary permissions will be obtained from the Capital Markets Board for the amendment of the Articles of Association,
6. Upon receiving the authorization of the Capital Markets Board, an application will be made to the Ministry of Trade and the amendment of the Articles of Association will be submitted to the approval of the next General Meeting of Shareholders, and an application was filed with the Capital Markets Board on 25.09.2024. Our application was approved by the Capital Markets Board Presidency with the letter dated 29.11.2024 and numbered E-29833736-110.03-63592, and the amendment to our Articles of Association was authorized by the Ministry of Trade, General Directorate of Domestic Trade, with the letter dated 23.12.2024 and numbered E-50035491-431.02-00104290944.

The amendment text will be submitted to approval at the Ordinary General Meeting of Shareholders for 2024.

The amendment text of our Articles of Association is available at <https://www.alarko.com.tr/yatirimci-iliskileri/kurumsal-yonetim/ticaret-sicil-ve-gna-sozlesme/>

CAPITAL AND SHAREHOLDING STRUCTURE

Shareholders	Share Amount (TL)	Number of Shares and Votes	Ratio (%)
İzzet Garih	76,921,245.42	7,692,124,542	17.68
Leyla Alaton	64,251,560.42	6,425,156,042	14.77
Vedat Aksel Alaton	62,076,560.51	6,207,656,051	14.27
Dalia Garih	56,728,008.65	5,672,800,865	13.04
Alhan Holding A.Ş.	8,699,999.81	869,999,981	2.00
Destek Foundation	3,195,807.87	319,580,787	0.74
Other Shareholders	163,126,817.32	16,312,681,732	37.50
Total	435,000,000.00	43,500,000,000	100.00

In the 2024 fiscal year, Leyla Alaton's shareholding decreased from 16.27% to 14.77%, Vedat Aksel Alaton's shareholding decreased from 15.27% to 14.27% and Dalia Garih's shareholding decreased from 14.04% to 13.04%.

There has been no change in the Company's share capital.

RELATED PARTY TRANSACTIONS

Information on the Company's transactions with its related parties is provided in detail in Note 36 to the financial statements.

SUBSTANTIAL ASSET PURCHASES OR SALES

Information on the Company's substantial purchases or sales of assets is provided in detail in Notes 3, 18, and 19 to the financial statements.

DIVIDEND DISTRIBUTION POLICY

Our Company distributes dividends in accordance with the Turkish Commercial Code, Capital Market Law, Tax Law, and other applicable laws, as well as the Article on Dividend Distribution in our Articles of Association.

The dividend policy and the Board's annual dividend proposal, including the matters set out in the CMB Corporate Governance Principles, are included in the annual report.

In accordance with the dividend distribution policy, the Board of Directors makes an annual decision on its proposal for dividend distribution and presents it to the General Meeting of Shareholders for approval.

If the dividend distribution proposal of the Board of Directors is approved by the General Meeting of Shareholders, dividend distribution has to start in one month at the latest.

Our Company has established its dividend distribution policy in compliance with the Capital Markets Legislation and our Articles of Association while taking into account the Company's operational performance, investment policy, cash requirements, financial status, and market developments. The Board of Directors reviews this policy annually in light of any adverse developments in national and global economic conditions, the projects on the agenda, and the state of the Company's financial resources.

In principle, the Company aims to distribute at least 5% of its distributable profit each year to its shareholders as dividends in cash or as bonus shares by adding to the capital.

Dividends are distributed equally to all existing shares as of the relevant accounting period in accordance with the dividend distribution policy, and no privileges are applied.

The Board of Directors may pay advance dividends, subject to the approval of the General Meeting of Shareholders and in compliance with Capital Markets Legislation.

Our Company has decided to distribute TL 978,141,000 (gross) as a dividend in 2024. After deducting the advance dividend of TL 556,800,000 (gross) distributed in cash in 2023, the remaining TL 421,341,000 (gross) was distributed to the shareholders as a cash dividend.

Additional Information Regarding Our Activities

INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS IN CONNECTION WITH THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Internal control activities are conducted in a timely manner and in accordance with procedures, both for preparing the individual financial statements that form the basis for consolidation and for mitigating risks that may arise during the consolidation process. These activities include preventive, detective, manual, or automated controls. This process is continuously monitored and audited by both management and the internal audit unit. Additionally, the consolidation process and consolidated financial statements are audited by an independent audit firm.

RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

The Board of Directors has established a risk management and internal control mechanism. Managerial risks are periodically reviewed by the Audit Advisory and Approval Board and the Committee for Early Identification of Risks, which are composed of members of the Holding's Board of Directors. The Board decided to establish, enhance and update the internal control mechanism throughout the Group. In accordance with this decision, the Audit Group of the Holding has been assigned the responsibility of overseeing the establishment of the internal control mechanism and monitoring its functionality. The Audit Group periodically audits the internal control mechanism as per the approved annual audit plans and reports its findings and recommendations to senior management.

The Audit Committee reviews these matters and makes recommendations to the Audit Advisory and Approval Board. The Audit Advisory and Approval Board, Committee for Early Identification of Risks, and the Audit Committee identify the necessary measures and provide instructions to the Company managers through the Holding CEO.

A Committee for Early Identification of Risks comprising three members was established to advise the Board of Directors on the early identification of potential risks facing the Company and the implementation of an effective risk management system, with its working principles approved by the Board of Directors. The Committee for Early Identification of Risks convened once in 2024, and six reports prepared by the committee were submitted to the Board of Directors.

RISK MANAGEMENT POLICY, PRACTICES AND EVALUATION

To control potential risks and ensure sustainable growth, it is crucial that our company implements an effective risk management strategy.

The objective is to minimize risks arising from fluctuations in the prices of raw materials used by the companies operating under the Holding, including coal and steel prices, as well as fluctuations in interest rates, cash flows, foreign exchange rates, and counterparty risks, while providing a reasonable degree of assurance against potential shocks.

Key risk parameters that are monitored include the following:

- Market Risk:** Volatility in prices of key inputs
- Credit Risk:** Maintaining the loan-to-equity ratio
- Currency Risk:** Exchange rate volatility in principal and interest rates
- Liquidity risk:** Keeping the current ratio within acceptable limits

The entire risk hedging policy is available for the information of all stakeholders on the corporate website at <https://www.alarko.com.tr/yatirimci-iliskileri/kurumsal-yonetim/riskten-korunma-politikasi/>.

The Board of Directors monitors Hedging Transactions and the periodical work of the Committee for Early Identification of Risks.

BOARD OF DIRECTORS

Composition of the Board of Directors

		Starting Date	End Date
İzzet Garih	Chairman	27.05.2024	27.05.2025
Vedat Aksel Alaton	Vice Chairman	27.05.2024	27.05.2025
Ümit Nuri Yıldız	Member, Group CEO	27.05.2024	27.05.2025
Leyla Alaton	Member	27.05.2024	27.05.2025
Niv Garih	Member	27.05.2024	27.05.2025
Ayhan Yavrucu	Member	27.05.2024	27.05.2025
Lale Ergin	Independent Member	27.05.2024	27.05.2025
Nihak Mashaki Seçkin	Independent Member	27.05.2024	27.05.2025
İzzet Cemal Kışmır	Independent Member	27.05.2024	27.05.2025

There are 3 independent members on the Board of Directors. Members are not restricted or bound by specific rules regarding performing other duties outside the Company. Except for Mr. Ümit Nuri Yıldız, the Group's CEO, the other members have no executive duties in the management of the Company.

The Corporate Governance Committee nominated three candidates for independent membership, assessed their compliance with the independence criteria, and submitted the evaluation results to the Board of Directors for approval on 16 January 2024.

The independence statements of the Independent Members have been obtained, and as of the relevant reporting period, there have been no situations that would impair their independence.

Independence statements are given below.

Additional Information Regarding Our Activities

Independence Statement

I kindly would like to inform the board of directors, shareholders, and all relevant parties; that I hereby accept and declare that I bear all of the independence criteria stated under Articles 4.3.6 and 4.37 of the Corporate Governance Principles which is the attachment of "Communique on Corporate Governance" No. II-17.1 published by Capital Markets Board, and I am independent in accordance with the relevant legislation and articles of association, and if there will be any change in the matters affecting my independence, I will immediately notify the Board of Directors of Alarko Holding A.Ş. Within this scope; I hereby declare;

a) Neither I, nor my spouse, nor my relatives by blood or marriage up to the second degree have held any employment at an administrative level involving significant duties and responsibilities within the past five years with the Company, its subsidiaries, or entities under its management control or significant influence, additionally, within the same period, neither I nor the aforementioned parties have owned more than 5% of the capital, voting rights, or privileged shares—either individually or jointly—nor have we established any significant commercial relationship with the Company or its controlling shareholders, or with any legal entities in which these shareholders hold management control.

b) Not to have been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of the board of directors within the last five years in companies that the Company purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the Company, at the period when the Company purchases or sells services or goods

c) I have the professional education, knowledge, and experience required to duly fulfill the duties assigned for being an independent board member,

ç) I am not a full-time employee at public authorities and institutions after being elected, except being an academic member at the university provided that complies with the applicable legislation,

d) I am considered as residing in Türkiye in accordance with the Income Tax Law (I.T.L) dated 31 December 1960 and numbered 193,

e) I am capable of making a positive contribution to the operations of the Company, maintaining objectivity in conflicts of interest between the Company and its shareholders, and upholding strong ethical standards, professional reputation, and experience that enable me to make independent decisions while considering the rights of the shareholders.

f) I am able to allocate time for the company's business in order to follow up the activities of the company and duly fulfill the allocated duties,

g) I have not served as a member of the board of directors of the Company for more than a term of six years in the last ten years,

ğ) I have not been an independent board member in more than three of the companies that are controlled by the Company or its controlling shareholders and in more than five companies listed on the stock exchange,

h) I have not been registered and announced as a representative of a legal entity board member of the Company.

Name and Surname: LALE ERGİN

Date: 15.01.2024

Independence Statement

I kindly would like to inform the board of directors, shareholders, and all relevant parties; that I hereby accept and declare that I bear all of the independence criteria stated under Articles 4.3.6 and 4.37 of the Corporate Governance Principles which is the attachment of "Communique on Corporate Governance" No. II-17.1 published by Capital Markets Board, and I am independent in accordance with the relevant legislation and articles of association, and if there will be any change in the matters affecting my independence, I will immediately notify the Board of Directors of Alarko Holding A.Ş. Within this scope; I hereby declare;

a) Neither I, nor my spouse, nor my relatives by blood or marriage up to the second degree have held any employment at an administrative level involving significant duties and responsibilities within the past five years with the Company, its subsidiaries, or entities under its management control or significant influence, additionally, within the same period, neither I nor the aforementioned parties have owned more than 5% of the capital, voting rights, or privileged shares—either individually or jointly—nor have we established any significant commercial relationship with the Company or its controlling shareholders, or with any legal entities in which these shareholders hold management control.

b) Not to have been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of the board of directors within the last five years in companies that the Company purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the Company, at the period when the Company purchases or sells services or goods

c) I have the professional education, knowledge, and experience required to duly fulfill the duties assigned for being an independent board member,

ç) I am not a full-time employee at public authorities and institutions after being elected, except being an academic member at the university provided that complies with the applicable legislation,

d) I am considered as residing in Türkiye in accordance with the Income Tax Law (I.T.L) dated 31 December 1960 and numbered 193,

e) I am capable of making a positive contribution to the operations of the Company, maintaining objectivity in conflicts of interest between the Company and its shareholders, and upholding strong ethical standards, professional reputation, and experience that enable me to make independent decisions while considering the rights of the shareholders.

f) I am able to allocate time for the company's business in order to follow up the activities of the company and duly fulfill the allocated duties,

g) I have not served as a member of the board of directors of the Company for more than a term of six years in the last ten years,

ğ) I have not been an independent board member in more than three of the companies that are controlled by the Company or its controlling shareholders and in more than five companies listed on the stock exchange,

h) I have not been registered and announced as a representative of a legal entity board member of the Company.

Name and Surname: İZZET CEMAL KİŞMİR

Date: 15.01.2024

Additional Information Regarding Our Activities

Independence Statement

I kindly would like to inform the board of directors, shareholders, and all relevant parties; that I hereby accept and declare that I bear all of the independence criteria stated under Articles 4.3.6 and 4.37 of the Corporate Governance Principles which is the attachment of "Communique on Corporate Governance" No. II-17.1 published by Capital Markets Board, and I am independent in accordance with the relevant legislation and articles of association, and if there will be any change in the matters affecting my independence, I will immediately notify the Board of Directors of Alarko Holding A.Ş. Within this scope; I hereby declare;

a) Neither I, nor my spouse, nor my relatives by blood or marriage up to the second degree have held any employment at an administrative level involving significant duties and responsibilities within the past five years with the Company, its subsidiaries, or entities under its management control or significant influence, additionally, within the same period, neither I nor the aforementioned parties have owned more than 5% of the capital, voting rights, or privileged shares—either individually or jointly—nor have we established any significant commercial relationship with the Company or its controlling shareholders, or with any legal entities in which these shareholders hold management control.

b) Not to have been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of the board of directors within the last five years in companies that the Company purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the Company, at the period when the Company purchases or sells services or goods

c) I have the professional education, knowledge, and experience required to duly fulfill the duties assigned for being an independent board member,

ç) I am not a full-time employee at public authorities and institutions after being elected, except being an academic member at the university provided that complies with the applicable legislation,

d) I am considered as residing in Türkiye in accordance with the Income Tax Law (I.T.L) dated 31 December 1960 and numbered 193,

e) I am capable of making a positive contribution to the operations of the Company, maintaining objectivity in conflicts of interest between the Company and its shareholders, and upholding strong ethical standards, professional reputation, and experience that enable me to make independent decisions while considering the rights of the shareholders.

f) I am able to allocate time for the company's business in order to follow up the activities of the company and duly fulfill the allocated duties,

g) I have not served as a member of the board of directors of the Company for more than a term of six years in the last ten years,

ğ) I have not been an independent board member in more than three of the companies that are controlled by the Company or its controlling shareholders and in more than five companies listed on the stock exchange,

h) I have not been registered and announced as a representative of a legal entity board member of the Company.

Name and Surname: NİHAL MASHAKI SEÇKİN

Date: 15.01.2024

The resumes of the Board Members their terms of office, and their duties outside the Company have been disclosed in the previous sections of the Annual Report, and they are also available on the Company's website. In order to avoid duplication, this information is not included again here.

Working Principles of the Board of Directors

The Board of Directors convenes quarterly, within thirty (30) days following the close of each quarter, and whenever the Company's business requires. The Chairman of the Board, in consultation with the other members and the CEO, determines the agenda of the Board meetings and sends it to all members three days before the meeting. Members take care to attend every meeting and express their opinions. The Board of Directors meetings may be attended using any technological method that enables remote access.

The opinions of a director who cannot attend the meeting but submits them in writing to the Board of Directors are shared with the other directors. Each member has one vote. The relevant member of the Board of Directors does not vote in Board meetings concerning related party transactions. The meeting and decision quorum of the Board of Directors is stipulated in the Articles of Association.

The Board of Directors held 37 meetings during the reporting period. One member had an excuse for absence at 2 of the meetings and all other members were present.

Board decisions were taken unanimously. Therefore, there is no dissenting opinion recorded.

Board members do not have weighted voting rights or negative veto rights.

In 2024, there were no related party transactions or significant transactions requiring the approval of the Independent Members.

The Company does not have insurance coverage for any damages resulting from the faults of Board members in the execution of their duties.

EVALUATION OF THE WORKING PRINCIPLES AND EFFECTIVENESS OF THE BOARD COMMITTEES

New committees were established, and their working principles were determined by the Board of Directors of our Company in accordance with the Capital Markets Board's Corporate Governance Communiqué II-17.1 and the provisions of the Turkish Commercial Code. All committees are composed of non-executive directors. Accordingly,

- To enhance corporate governance practices, a Corporate Governance Committee comprising four members was established. Independent Member Nihal Mashaki SEÇKİN was appointed as the Chairman of the Committee, while Member İzzet GARIH, Member Vedat Aksel ALATON, and Investor Relations Department Director Özgür KALYONCU were elected as Committee Members. The Corporate Governance Committee held four meetings in 2024 with full membership and provided a report to the Board of Directors on its activities.

The Corporate Governance Committee

- Reviewed the working principles of the Committee.
- Oversaw the work of the Investor Relations unit.
- Reviewed the Company's performance assessment system.
- Reviewed the working principles of the Board of Directors and presented its recommendations to the Board of Directors.
- Evaluated the implementation of corporate governance principles. During the evaluation, information was received regarding the Corporate Governance Principles Compliance Report prepared in accordance with the Capital Markets Board's Corporate Governance Communiqué No. II-17.1.

- A Committee for Early Identification of Risks comprising three members was established to advise the Board of Directors on the early identification of potential risks facing the Company and the implementation of an effective risk management system, and Independent Member Lale ERGİN was elected as the Chairman of the Committee, and Member İzzet GARIH and Member Vedat Aksel ALATON were elected as Committee Members. The Committee for Early Identification of Risks convened once in 2024 with all members present, and six reports prepared by the committee were submitted to the Board of Directors.

The Committee for Early Identification of Risks has focused on the early identification of risks that could threaten the existence, development, and continuity of the Company, the implementation of necessary measures, and the management of risks in compliance with applicable regulations and laws.

- Independent Member İzzet Cemal KİŞMİR was elected as the Chairman and Independent Member NİHAL Mashaki SEÇKİN was elected as a Member of the Audit Committee within the Board of Directors. The Audit Committee prepared 6 reports in 2024 and submitted them to the Board of Directors.

Audit Committee:

- Supervised the functioning and effectiveness of the internal control system by evaluating reports issued by Company management, the independent audit firm, and internal auditors.
- Submitted its independent audit firm proposal to the Board of Directors. This proposal follows the selection of the independent audit firm and approval of the services to be provided by the firm by the Committee.
- Presented the annual and interim financial statements to be disclosed to the public to the Board of Directors for approval, along with the opinions of the Company's officers and independent auditors regarding the accuracy and fairness of the financial statements and the accounting principles followed by the Company.
- Reviewed the activities of the independent audit firm.

The Nomination Committee and the Remuneration Committee were not formed among the members of the Board of Directors, and the Corporate Governance Committee carried out the responsibilities of both the Nomination and Remuneration Committees in accordance with the provisions of the Capital Markets Board's Corporate Governance Communiqué.

Additional Information Regarding Our Activities

The duties, working principles, and information on the members of the Committees are disclosed to the public on the Public Disclosure Platform (KAP) and are also made available to investors on the corporate website. The decisions made as a result of the independent work carried out by the Committees are submitted to the Board of Directors as recommendations, with the final decision being made by the Board of Directors.

Due to the structure of the Board of Directors, there are 3 Independent Members. Since the chairpersons of the committees and the entire Audit Committee must consist of independent members, some independent members serve on multiple committees.

INVESTOR RELATIONS DEPARTMENT

Shareholder relations activities are managed by the Investor Relations Directorate, which is directly overseen by Alpaslan Serpen, the Chief Strategy Officer.

Özgür KALYONCU assumed the role of Investor Relations Director on 12.06.2019 and was appointed as a member of the Corporate Governance Committee in accordance with the Corporate Governance Communiqué No. II-17.1 issued by the Capital Markets Board. This development was publicly disclosed through the Material Event Disclosure dated the same day. Özgür KALYONCU holds both the Capital Market Activities Advanced Level and Corporate Governance Rating Specialist Licenses.

The Investor Relations Department actively works to protect and facilitate the exercise of shareholders' rights, including the right to obtain and review information. Periodically updated informational materials and presentations are made available to all stakeholders.

The Investor Relations Department regularly reports to the Board of Directors and makes presentations on its activities. The Investor Relations Department made two presentations together with the Corporate Governance Committee.

Contact Information

Tel: 0212 310 33 00

Fax: (0212) 260 71 78 - (0212) 227 04 27

E-mail: Alarkoinvestorrelation@alarko.com.tr

ozgur.kalyoncu@alarko.com.tr

DUTIES OF THE DIRECTORS OUTSIDE THE COMPANY

Name and Surname	Positions Assumed Outside the Group
İzzet Garih	Board Member in Alarko Group Companies
Vedat Aksel Alaton	-
Ümit Nuri Yıldız	Board Member in Alarko Group Companies
Leyla Alaton	Board Member at Alvimedica Board Member and Attaş Alarko Turistik Tesisler A.Ş.
Niv Garih	Chairman at Alarko Carrier Sanayi ve Tic. A.Ş.
Ayhan Yavrucu	-
Lale Ergin	Board Member at Turcas Petrol, Mondi Corrugated Türkiye, and Logo Software
Nihal Mashaki Seçkin	Board Member at Türkiye Corporate Governance Association and Mega Metal Sanayi ve Ticaret A.Ş.
İzzet Cemal Kışmır	General Manager of BNP Paribas Cardif

HUMAN RESOURCES POLICY

The human resources policy prepared by our Company is disclosed in Our Policy Leaflet published every year, and is announced to the employees during annual meetings.

Our Fundamental People and Organization Policy is;

"To make the most efficient use of our human resources who share our corporate culture and who have a high level of engagement and competence, and provide guidance to them in line with our company's visionary and strategic objectives, continuously improve individual and corporate performance making use of HR processes and systems meeting global standards, and reveal our potential with our experience."

Our Human Resources Values:

Respect for Human: We consider every human as an asset, and believe that the principle of "Respect for Human" is at the core of all our values. We know that organizations which have "Respect for Human" at the core of their business will always succeed.

Happiness of People: We believe that "Happiness of People" lies at the core of success, and that organizations can manage every process when their people are happy.

A Passion for Success: Drawing inspiration and strength from our roots and history, we pursue our targets every day, driven by our passion for success.

Change: We believe that change is a continuous journey rather than a phenomenon, and we are motivated by our mission to improve our business, competency, ourselves and teams every day throughout this journey.

Management Guided By Ethical Principles: We are aware of the importance of having a fair, transparent and accountable human and organization management. We believe that the "Management Guided By Ethical Principles" approach is of vital importance for all our processes, and conduct our processes in line with the local and international laws and values.

Personnel recruitment criteria are established in writing and adhered to. In the recruitment process, physiological, psychological, and intellectual characteristics required by the position are taken into account. A written test is always administered to measure and evaluate these traits. Following the initial assessment by the human resources department, the manager of the department responsible for hiring also conducts an interview.

Equal treatment is provided to all employees in terms of education and promotion. Training plans and policies are developed to enhance employees' knowledge, skills, and experiences. Regular training is provided to all employees every year.

A job description is provided for all employees. Performance and reward criteria are established annually, and after reaching consensus with employees, they are implemented. The existing performance evaluation system is used for necessary measurement and evaluation, which is taken into account during compensation and career planning.

Moreover, a "Gold Badge" is awarded annually to a certain number of employees for their high performance, and prizes are given to winners of the "Innovation Award" competition. This encourages high-performing employees and boosts motivation.

A safe working environment is provided for employees, and continuous improvement of this environment is ensured.

Additional Information Regarding Our Activities

RULES OF ETHIC AND SOCIAL ACCOUNTABILITY

The rules of ethic which are also set forth in the Philosophy of Alarko Group of Companies approved by the Board of Directors and Audit Advisory and Approval Board (AAAB) and adopted by all Employees and Management of Alarko Holding A.Ş. are outlined below in summary form. These rules of ethic comply with the Alarko's policies, objectives, targets and core principles and form an integral part of these policies, objectives, targets, and core principles.

- Acting honestly in all business activities towards the Government, Clients, Shareholders, Personnel, Partners, and Sub- and By- Industries.
- Protecting the environment and maintaining the inter-company social balance in all its activities.
- Orienting the customers without forcing and giving priority to their needs.
- Maintaining high quality at all times, trying to supply the best at the lowest price even when the customers are satisfied and contented with what is already given.
- Achieving the profits deserved by the shareholders under the current conditions.
- Give priority to teamwork as a corporation performing systematically on the basis of pre-defined procedures, share profit, loss, success and failure.

We design, develop and formulate our policies based on this philosophy. This philosophy statement is framed and posted prominently in all premises and offices owned or occupied by the Alarko Group of Companies. Furthermore, all employees are informed about these rules through the Policy Meeting, which is held regularly on an annual basis, and Our Policy Manual which is published regularly on an annual basis. In addition to all the foregoing, both our existing and newly recruited employees are provided with detailed information about this philosophy through regular training.

This philosophy statement containing the rules of ethic is also posted both on the intercompany intranet and on the Company's website at www.alarko.com.tr. All employees of Alarko Holding are obliged to strictly adhere to and comply with these rules. Compliance with rules of ethics by employees is followed-up and monitored by immediate superiors in the hierarchical structure. All employees of Alarko Holding are responsible for immediately notifying the management of any act or behavior contrary to the rules of ethics.

Any contrary act or behavior noticed, notified or suspected by the Board of Auditors, the President of the Executive Board or other managers are reviewed by the Board of Directors or instructed to be reviewed by the Auditing Committee to ensure compliance therewith. Appropriate disciplinary actions are imposed against employees found to violate any of these rules.

Alarko Holding A.Ş. has always been highly sensitive and proactive towards its social responsibilities and always acts in compliance with regulations and ethical rules regarding public health and safety, and protection of consumers and environment.

Both Alarko Holding A.Ş. and its affiliates, subsidiaries and other group of companies and their respective employees, expert teams and related industries have adopted and committed to implement the following rules in all of their activities and business operations for the purpose of protecting the environment and nature.

- To become thoroughly familiar with all applicable laws, regulations, policies, procedures, requirements and standards regarding the protection of the environment and to fulfill and comply with all criteria, requirements and provisions introduced by these laws, regulations, policies, procedures, requirements and standards,
- To take all measures necessary to protect pollution of air, water, soil and noise in all activities and business operations,
- To protect animal and plant life and to ensure recycling of waste,
- To make cooperation with governmental organizations, institutions, public agencies, private sector companies, and organizations and all other non-governmental organizations for the purpose of developing policies and systems aimed at protection of the environment,
- To continue to carry out research and development activities aimed at developing environment friendly production systems and products,
- To optimize the consumption of natural resources and energy,
- To carry out continuous training activities in order to make a valuable contribution to raise awareness for the protection of the environment and nature, to increase awareness of our employees on environmental issues, and to employ state-of-the-art technology to achieve these goals.

There is no litigation or warning filed against our Company, either in the current year or in the past, for environmental damages.

FINANCIAL INDICATORS

Financial indicators according to the audited financial statements as of 31 December 2024 are as follows.

Financial Indicators	31.12.2024	31.12.2023
Current Ratio	1.02	1.19
Liquidity Ratio	0.81	0.99
Cash Ratio	0.46	0.25
Debt-to-Total Assets Ratio	0.31	0.26
Total Assets (TL)	93,937,057,028	85,701,647,867

An analysis of the basic ratios for the 2024 operating period reveals that our Company's net working capital is adequate, enabling it to meet all of its short-term liabilities with cash or economic assets that can be quickly converted into cash. The Company's shareholders' equity is TL 64,702,582,442, which is sufficient to cover its debts. The Company's financial structure is sufficient for the continuation of its activities, and no further measures are required in this regard.

RESEARCH AND DEVELOPMENT ACTIVITIES

In the production facilities of our Industry and Trade Group, Carrier continues to implement the Carrier Excellence Program, which is applied across all Carrier-affiliated companies. To continuously improve our products, joint studies are conducted with universities and TÜBİTAK in our Test and R&D facilities. Moreover, we improve our products significantly by transferring technology from Carrier.

Our R&D Center application, made to benefit from the incentives and exemptions provided under Law No. 5746 on Supporting Research and Development Activities, published in the Official Gazette on 12 March 2008, was reviewed by the Evaluation and Audit Commission established under Article 14 of the 'Implementation and Audit Regulation on Supporting Research and Development Activities,' published in the Official Gazette on 31 July 2008, and numbered 26953. The commission approved the granting of the R&D Center Certificate to our Company in its meeting on 27 April 2012.

Additional Information Regarding Our Activities

SOCIAL AND INDUSTRIAL ACTIVITIES

Employment

In 2024, a total of 5,806 people were employed across Alarko Holding A.Ş.'s companies and entities, including 1,862 white-collar workers, who are primarily engineers and architects, and 3,944 technicians and workers.

In addition, an average of 887 employees were engaged as subcontractors and external workshop personnel.

A job description is provided for all employees. Performance and reward criteria are set annually and implemented following agreement with employees. The performance assessment system is used to conduct the necessary measurements and assessments, which are then considered in remuneration and career planning.

Training

In 2024, 204,973 person/hours of training was provided. In line with the training needs of our employees, technical, financial, administrative, and computer training seminars were organized within the Company, and our personnel also participated in seminars hosted by renowned external training institutions.

Additionally, on-the-job training in areas such as welding, assembly, manufacturing processes, construction, ISO 9000 standards, and Occupational Safety were provided at our plants. The training activities for the dealers and service providers of Alarko Carrier Sanayi ve Ticaret A.Ş. also continued throughout this year.

All employees are treated equally regarding training and promotion opportunities. Training plans and policies are developed to enhance employees' knowledge, skills, and competencies. Employees are regularly trained every year.

Employee -Employer Relations and Rights Granted

Considering the economic balances of our country, efforts have been made to establish a realistic balance between employers and employees and to bring solutions that do not oppress workers under economic conditions, within the means available.

The collective bargaining agreement covering the period from September 01, 2023, to August 31, 2025, between the Türkiye Metal Industrialists' Union (MESS), of which our group company Alarko Carrier Industry and Trade Inc. is a member, and the Turkish Metal Union, was signed on January 17, 2024.

Alarko Education - Culture Foundation

Established in 1986, the Alarko Education and Culture Foundation provided scholarships for the academic year 2024-2025 to a total of 32 students studying in the final year of various engineering, construction, economics, finance, and business departments at different universities. Additionally, scholarships were granted to 25 students from technical and vocational high schools and 53 children of our members who demonstrated academic success and financial need. Thus far, the Foundation has provided scholarships to approximately 2,200 higher education students and around 1,600 secondary education students, totaling 3,800 scholarships, all of which are provided without any obligation for repayment.

Furthermore, the Foundation continued its contributions to various cultural and artistic activities this year. It maintains collaborations with prominent science and culture foundations.

MATERIAL EVENTS THAT HAPPENED AFTER THE CLOSING OF THE ACCOUNTING PERIOD

- a) On 19 February 2025, it was publicly announced that Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries, has decided to establish a joint stock company with a capital of TL 250,000 to operate in the agriculture and greenhouse sector and to invest TL 250,000 in the said company. The company was established under the name 'Seraverde Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi. This was registered by the Istanbul Trade Registry Directorate and published in the Turkish Trade Registry Gazette on 24 February 2025
- b) On 27 November 2024, it was publicly announced that the board of directors of Alfor Aviation and Technical Services Limited, one of the subsidiaries, has decided to establish a joint stock company with a capital of TL 18,000,000 to operate in the aviation sector and to invest TL 18,000,000 in the said company. The company was established under the name "Alfor Havacılık ve Teknik Hizmetler Anonim Şirketi". This was registered by the Istanbul Trade Registry Directorate and published in the Turkish Trade Registry Gazette on 24 February 2025
- c) As part of the share buyback program initiated by the Alarko Holding A.Ş. Board of Directors on 29 May 2024, a total of TL 17,818,715 worth of ALARK shares, corresponding to 1,242,657 shares, were repurchased between 30 December 2024, and 8 January 2025. Following this transaction, the number of ALARK shares held by Alarko Holding A.Ş. has reached 9,950,000 shares and the ratio of these shares to the share capital is 2.287%. The share purchase transaction was completed on 8 January 2025.

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS AND ANNUAL REPORT

THE BOARD OF DIRECTORS' APPROVAL OF THE FINANCIAL STATEMENTS

DATE OF DECISION: 10.03.2025

DECISION NO: 964

STATEMENT OF RESPONSIBILITY ISSUED PURSUANT TO ARTICLE 9 IN THE SECOND PART OF THE COMMUNIQUÉ NUMBERED II-14.1 OF THE CAPITAL MARKETS BOARD

- 1 – We have examined the consolidated financial statements of the Company for the year ending on 31.12.2024, prepared in accordance with the Capital Markets Board's Communiqué II-14.1 "Communiqué on Principles of Financial Reporting in Capital Markets."
- 2 – To the best of our knowledge and information available to us as part of our duties and responsibilities at the Company, the consolidated financial statements do not contain any misstatements in material matters or any omissions that may be construed as misleading as of the date of the disclosure.
- 3 – To the best of our knowledge and information available to us as part of our duties and responsibilities at the Company, the financial statements, prepared in accordance with the applicable financial reporting standards give a true and fair view of the assets, liabilities, financial standing, and profit and loss of the Company and the consolidated entities.

Yours sincerely,

İzzet Cemal KİŞMİR
Chairman of the
Audit Committee

Nihal MASHAKİ SEÇKİN
Member of the
Audit Committee

Ümit Nuri YILDIZ
CEO

Additional Information Regarding Our Activities

DECISION OF THE BOARD OF DIRECTORS ON THE APPROVAL OF THE ANNUAL REPORT
DATE OF DECISION: 11.03.2025
DECISION NO: 965

STATEMENT OF RESPONSIBILITY ISSUED PURSUANT TO ARTICLE 9 IN THE SECOND PART OF THE COMMUNIQUÉ
NUMBERED II-14.1 OF THE CAPITAL MARKETS BOARD

1 – We have reviewed the consolidated annual report for the year 2024, prepared by our company in compliance with the Turkish Commercial Code and the Capital Markets Board’s Communiqué II-14.1, “Principles of Financial Reporting in Capital Markets,” and independently audited by BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş.

2 – To the best of our knowledge and information available to us as part of our duties and responsibilities at the Company, the annual report does not contain any misstatements in material matters or any omissions that may be construed as misleading as of the date of the disclosure.

3 – The annual report fairly presents the development and performance of the business and the financial position of the Company, together with the significant risks and uncertainties it faces.

Yours sincerely,

İzzet Cemal KİŞMİR
Chairman of the
Audit Committee

Nihal MASHAKİ SEÇKİN
Member of the
Audit Committee

Ümit Nuri YILDIZ
CEO

Dividend Distribution Proposal

The net profit for the period remaining after setting aside TL 335,253,540 for non-controlling shares in accordance with the Capital Markets Legislation, the Company’s Articles of Association, and other applicable legislation, from the profit for the period of TL 2,092,525,630 in the consolidated financial statements of our Company for the year 2024, prepared in compliance with the Capital Markets Board Communiqué Serial: II No: 14.1, is TL 1,757,272,090, and we hereby propose

- not to set aside any primary statutory reserves since the legal minimum amount has already been reached in the previous years,
- to distribute TL 1,131,000,000. - (Gross) to shareholders in cash as dividends, corresponding to 64.24% of TL 1,760,478,975, which is formed by adding donations totaling TL 3,206,885 to the net profit for the period.
- to withhold due taxes over the portion of the profit subject to tax withholding,
- to transfer the balance to extraordinary reserves,
- to commence distributing dividends on 17.04.2025.

BOARD OF DIRECTORS

Statement of Compliance with Corporate Governance Principles

Our company has taken due care in the observation of Corporate Governance Principles published by the Capital Markets Board. All of the obligatory principles defined in the Communiqué on Corporate Governance have been observed by our Company. Most of the non-obligatory Corporate Governance Principles have also been complied with, while those that could not be complied with have been explained in the annual report in Corporate Governance Compliance Report (CRF), Corporate Governance Information Form ("CGIF") and other relevant sections. Please find the details on the issue in the following sections. The Corporate Governance Committee continues to perform its activities.

Corporate Governance Compliance Report

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting					X	There is no action within the scope of this article.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights	X					
1.4.2 - The company does not have shares that carry privileged voting rights	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares and expand the scope of the minority rights.			X			The articles of association stipulate that minority rights are not less than one-twentieth of the capital.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					

Corporate Governance Compliance Report

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution was made.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					The stakeholder's policy is explained in PDP and presented to the shareholders on the Alarko Holding corporate website.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.		X				Alarko Istikbal Club stands as an embodiment of employee participation in governance. Regular survey initiatives are employed to solicit and implement employee feedback effectively. Furthermore, initiatives such as Leadership Academy are in place to equip employees with the necessary skills for managerial roles.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

Corporate Governance Compliance Report

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size, and complexity	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations Department and the Corporate Governance Committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.			X			The insurance to cover the potential damages resulted from the actions of the members of the BoD was not covered
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					In our board of directors, there are 3 female members, and the candidate selection process is meticulously guided by principles of inclusivity and competence. Looking forward, endeavors are underway to formulate a policy aimed at augmenting adherence to this principle, emphasizing diversity and inclusivity while considering the competencies of prospective members. The Gender Policy for the Board of Directors at Alarko Holding has been disseminated for the perusal of all stakeholders via the Corporate Website.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					In accordance with our Board of Directors' working principles, it is essential for each board member to attend meetings either physically or through electronic means.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting			X			No rules or restrictions have been laid down for preventing members of the board of directors from serving outside the company, and their services in this scope were not presented to the shareholders in the general assembly meeting for information.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			The chairmen of the Committees and all members of the Audit Committee must be independent members. Some independent members serve in several committees.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	The committees have not procured consulting services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				The remuneration paid to members of the board of directors and managers with administrative responsibilities are explained in the annual report; however, no explanation has been provided on an individual basis.

Corporate Governance Information Form

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organized by the company during the year

80 physical, 56 virtual meetings

1.2. Right to Obtain and Examine Information

The number of special audit request(s)

Request for appointment of special auditor is not governed by our Articles of Association separately, and pursuant to Article 438 of the Turkish Commercial Code, even if it is not included in the agenda, any shareholder may request the general assembly to clarify certain events with a special audit, if it is necessary for the exercise of shareholder rights and the right to receive information or review has already been exercised. No such request has been received in 2024.

The number of special audit requests that were accepted at the General Shareholders' Meeting.

Shareholders have not had a request to this effect

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)

<https://www.kap.org.tr/tr/Bildirim/1280103>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time

Yes

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9

-

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)

-

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)

-

The name of the section on the corporate website that demonstrates the donation policy of the company

<https://www.alarko.com.tr/en/investor-relations/corporate-governance/policies/donations-and-aids-policy/>

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved

<https://www.kap.org.tr/tr/Bildirim/1291421>

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting

Articles No: 48 - 49 - 50 - 51 - 52 - 53 and 54

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any

-

1.4. Voting Rights

Whether the shares of the company have differential voting rights

No

In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.

-

The percentage of ownership of the largest shareholder

17.68%

1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association

No

If yes, specify the relevant provision of the articles of association.

-

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy

<https://www.alarko.com.tr/en/investor-relations/corporate-governance/policies/dividend-distribution-policy/>

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.

Dividend distribution was made.

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends

Dividend distribution was made.

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
27.05.2024	0	69.39%	63.30%	6.09%	https://www.alarko.com.tr/en/investorrelations/corporategovernance/general-assembly-participation-and-minutes	https://www.alarko.com.tr/en/investorrelations/corporate-governance/general-assembly-participation-and-minutes	-	0	https://www.kap.org.tr/tr/Bildirim/1291421

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	https://www.alarko.com.tr/en/investor-relations/corporate-governance/
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	https://www.alarko.com.tr/en/investor-relations/corporate-governance/shareholder-structure/
List of languages for which the website is available	Turkish, English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Board of Directors/Additional Information Regarding Our Activities/ The Structure and Composition of the Board of Directors
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Additional Information Regarding Our Activities/ Assessment on the Operating Principles of the Board of Directors' Committees and their Effectiveness
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Additional Information Regarding Our Activities/Board of Directors/ Principles of Conduct of the Board of Directors
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Additional Information Regarding Our Activities - Page no: 82 Article no: 3
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report of the Board of Directors - Page no: 25 Article no: 10
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Additional Information Regarding Our Activities - Page no: 82 Article no: 7
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross-ownership subsidiaries that the direct contribution to the capital exceeds 5%	Additional Information Regarding Our Activities/ Shares of Entities Subject to Consolidation in the Parent Capital
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Additional Information Regarding Our Activities / Social and Industrial Activities

Corporate Governance Information Form

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	https://www.alarko.com.tr/en/investor-relations/corporate-governance/policies/compensation-policy/
The number of definitive convictions the company was subject to in relation to breach of employee rights	-
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Investor Relations Director
The contact detail of the company alert mechanism	Özgür Kalyoncu - 0212 310 33 00 - ozgur.kalyoncu@alarko.com.tr

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
Corporate bodies where employees are actually represented	-

3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions.	Succession plan is being conducted by the Board of Directors
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Annual Report/Additional Information Regarding Our Activities/ Human Resources Policy
Whether the company provides an employee stock ownership programme	There is no plan for stock ownership
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Annual Report/Additional Information Regarding Our Activities/ Human Resources Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	-

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	https://www.alarko.com.tr/en/investor-relations/corporate-governance/code-of-ethics-and-standards-of-professional-conduct/
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues	https://www.alarko.com.tr/en/sustainability/
Any measures combating any kind of corruption including embezzlement and bribery	Annual Report /Corporate Governance / Code of Ethics and Standards of Professional Conduct

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	01.04.2024
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	-
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Additional Information Regarding Our Activities / Risk Management and Internal Control Mechanism
Name of the Chairman	İzzet GARIH
Name of the CEO/General Manager	President of the Executive Board - Ümit Nuri YILDIZ
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	https://www.alarko.com.tr/en/investor-relations/corporate-governance/policies/policy-on-female-members-of-the-board-of-directors/
The number and ratio of female directors within the Board of Directors	3 – 33.3%

Board Members

Name-Surname	Whether Executive Director or Not	Independent Board Member or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/ or Finance or Not
İzzet GARIH	Non-executive	Not independent	07.04.2000	-	-	-	-
Vedat Aksel ALATON	Non-executive	Not independent	07.04.2000	-	-	-	-
Ayhan YAVRUCU	Non-Executive	Not independent	31.03.1986	-	-	-	-
Leyla ALATON	Non-executive	independent	29.03.2002	-	-	-	-
Niv GARIH	Non-executive	Not independent	30.04.2014	-	-	-	-
Ümit Nuri YILDIZ	Executive	Not independent	14.07.2020	-	-	-	-
İzzet Cemal KİŞMİR	Non-executive	Not independent	27.05.2024	https://www.kap.org.tr/tr/Bildirim/1251201	Considered	No	Yes
Nihal MASHAKİ SEÇKİN	Non-executive	Independent	09.01.2023	https://www.kap.org.tr/tr/Bildirim/1251201	Considered	No	No
Lale ERGİN	Non-executive	Independent	16.05.2023	https://www.kap.org.tr/tr/Bildirim/1251201	Considered	No	Yes

4. BOARD OF DIRECTORS – II

4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	37
Director average attendance rate at board meetings	99%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3
The name of the section on the corporate website that demonstrates information about the board charter	Annual Report/Additional Information Regarding Our Activities/ Board of Directors/Principals of Conduct of the Board of Directors
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	-

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Additional Information Regarding Our Activities/ Assessment on the Operating Principles and Effectiveness of the Committees of the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/198410 https://www.kap.org.tr/tr/Bildirim/229346 https://www.kap.org.tr/tr/Bildirim/890305

Corporate Governance Information Form

Composition of Board Committees - I

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Corporate Governance Committee	-	Nihal Mashaki Seçkin	Yes	Board Member
Corporate Governance Committee	-	İzzet Garih	No	Board Member
Corporate Governance Committee	-	Vedat Aksel Alaton	No	Board Member
Corporate Governance Committee	-	Özgür Kalyoncu	No	Not Board Member
Audit Committee	-	İzzet Cemal Kişmir	Yes	Board Member
Audit Committee	-	Nihal Mashaki Seçkin	No	Board Member
Early Detection of Risk Committee	-	Lale Ergin	Yes	Board Member
Early Detection of Risk Committee	-	İzzet Garih	No	Board Member
Early Detection of Risk Committee	-	Vedat Aksel Alaton	No	Board Member

BOARD OF DIRECTORS - III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Additional Information Regarding Our Activities/ Assessment on the Operating Principles and Effectiveness of the Committees of the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Additional Information Regarding Our Activities/ Assessment on the Operating Principles and Effectiveness of the Committees of the Board of Directors
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Committee carries out the duties of the Nomination Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/ website)	Additional Information Regarding Our Activities/ Assessment on the Operating Principles and Effectiveness of the Committees of the Board of Directors
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Committee carries out the duties of the Remuneration Committee.

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report / Board of Directors' Annual Report
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.alarko.com.tr/en/investor-relations/corporate-governance/policies/remuneration-policy/
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Additional Information Regarding Our Activities / Remuneration of Board Members and Top Executives

Composition of Board Committees - II

Names of the Board Committees	Name of committees defined as "Other" in the first column	The Percentage of Non- executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	6	6
Corporate Governance Committee	-	75%	25%	2	2
Early Detection of Risk Committee	-	100%	33%	1	6

Statement of Compliance with Sustainability Principles

Alarko Holding A.Ş. and its Group companies closely follow good practices in the field of sustainability, including those specified in the Capital Markets Board (CMB) Sustainability Principles Compliance Framework, and conduct their activities with the aim of aligning with the best practices generally accepted in this field.

Practices related to the principles within the scope of the CMB Sustainability Principles Compliance Framework are included in the "Sustainability" section of the Annual Report. Additionally, information is provided for the evaluation of relevant stakeholders in the Corporate Governance and Social Responsibility sections on the Alarko Holding corporate website. The explanations regarding the principles to be improved within the shared information are as follows:

A. General Principles

Alarko Holding A.Ş. started the policy development processes within the scope of the sustainability principles compliance framework by the end of 2020. In this context, an inventory study was first conducted by collecting the issues, policies, procedures, and initiatives followed by both the Holding and the Group companies.

A Sustainability Committee was established with the approval of the Board of Directors.

Considering the items in the inventory, it was decided to start the materiality studies, followed by the creation of key performance indicators in a timeline and the initiation of studies to create short, medium, and long-term strategies.

Quality management standards and certifications, including ISO 9001 Quality, ISO 14001 Environmental Management, ISO 18001, and ISO 50001, have been obtained in the Group companies within the scope of environmental, social, and corporate governance, and are regularly monitored. Periodic presentations are made to the management based on key performance indicators. Environmental management systems in our Group companies are periodically reported within the scope of "Management Review Meetings." A quality management system report is prepared once a year and shared with the board of directors.

Regarding principles numbered A2; Sustainability committees have been established within both the Holding and its subsidiaries within the scope of sustainability studies, and a systematic approach to regular meetings and reporting has been established. Past data and future expectations have been created on key performance indicators and regularly monitored.

Regarding principles numbered A3.1., A3.2., A3.3., A3.4, and A3.5; Alarko Holding A.Ş. has shared its long-term goals while providing information on sustainability activities in the sustainability report. Information has been provided on the alignment of activities and prioritized issues with the United Nations (UN) 2030 Sustainable Development Goals. In the prepared 2nd Sustainability Report (Alarko Holding 2023 Sustainability Report), the scope of the previous sustainability report has been enriched to comply with international sustainability frameworks and standards (WEFs, UNGC CoP, TCFD, GRI, etc.). The report, which includes risk and opportunity analyses focused on climate change and sustainability, details the practices carried out with a focus on sustainability.

Regarding principle A4.1; Independent third-party verification was not carried out during the preparation of the report. It is planned to have the key performance indicators related to sustainability determined within the scope of the Turkey Sustainability Reporting Standards (TSRS) verified by an independent third party.

B. Environmental Principles

For Alarko Holding, sustainability is a tool for creating long-term value. Under the "Planet" heading of our strategy, climate change and ecosystem restoration, which are among the most prominent crises facing humanity, have been prioritized. A vision of achieving net zero greenhouse gas emissions by 2050 has been set. In addition, emissions are monitored with annual targets. Based on the need to restore the health of the planet, targets have been set under the ecosystem restoration heading for biodiversity and water issues. Accordingly, a certain portion of the net profit each year is allocated to investments in ecosystem and biodiversity protection projects, while a goal has been set to reduce water consumption used in processes by 50% by 2030.

Alarko Holding A.Ş. adopts and implements the fundamental principles it has determined to protect nature and the environment in all its activities together with all its employees and subcontractors. The fundamental principles are included in the "Ethical Principles and Social Responsibility" section of the Annual Report.

As a stakeholder of the Integrated Management Systems, Alarko Holding A.Ş. Group companies have the TSE-ISO 14001:2015 Environmental Management System. Environmental management and commitments in this regard are carried out in accordance with international environmental management systems.

An environmental management system has been established in accordance with the TSE-ISO 14001:2015 Environmental Management System Standard, and a certificate has been obtained from TSE, which conducts independent audits, ensuring continuity.

Statement of Compliance with Sustainability Principles

In the Industrial and Trade business line, Social Policy, Environmental and Occupational Health and Safety traditions are in compliance with ISO 50001 and ISO 45001 Standards.

Our Tourism Group has ISO 18001, Safe Tourism Certificate, Zero Waste Basic Certificate, Blue Flag Certificate, HACCP Gold Certificate, and Travelife Gold certificates, and undergoes regular audits and ensures compliance.

Regarding principle B3; The sustainability performance recorded by Alarko Holding throughout 2023 has been detailed in the 2023 Sustainability Report. Information on our commitment, energy, industry and trade, tourism, agriculture, land development, and investment group companies has been shared within the scope of reporting. The construction activities of the commitment group, Cinecity and Sanda Spa in the tourism group, and the fertilizer, food processing, and seed breeding operations of the agriculture group are not included in the reporting scope. It is planned to expand the reporting scope in the coming years within the scope of the Turkey Sustainability Reporting Standards (TSRS).

Regarding principle B4; The Sustainability Committee established within the company actively takes on tasks to achieve sustainability goals and meets periodically once every two months to report to the Group Executive Committee Chairman/CEO. This committee determines and ensures the implementation and monitoring of Alarko Holding's sustainability strategies and goals. The sustainability governance within Alarko Holding is carried out under the authority and responsibility of the Sustainability Committee. The Sustainability Committee operates directly under the Executive Committee Chairman and meets with predetermined agenda items. The committee monitors progress on sustainability goals, issues to be included in the investment agenda, and the sustainability performance of group companies, and provides information to the Board of Directors through the Committee Chairman when necessary.

Regarding principles B6, 7, and 8; Projects and practices carried out in line with Alarko Holding's sustainability strategies make significant contributions to fulfilling the company's environmental and social responsibilities. Various projects have been implemented in areas such as energy efficiency projects, waste management practices, and the use of renewable energy sources. These projects aim to minimize the company's environmental impacts and create a sustainable business model.

Regarding principle B9; Memberships and signatories to organizations are included in the latest sustainability report.

Regarding principles B10, 11, and 12; In the calculations made in 2024, the previous year's data were reviewed, and the calculations were re-evaluated. In this context, the results of 2023, which have the highest data quality and accuracy, were shared in the report.

C. Social Principles

Alarko Holding A.Ş. ensures full compliance with the legal framework and legislation in employment contracts and human resources procedures for all employees. Equal opportunity in recruitment is implemented through policies within the scope of applicable legislation. Appropriate conditions are provided as specified in the Labor and Social Security Legislation and the Labor Law to prevent discrimination, inequality, human rights violations, and child labour.

All Group companies are certified with the TS EN 45001 Occupational Health and Safety Management System. Our OHS Policy is in place. Monthly work accidents are reported by the OHS Unit. OHS risk analyses are conducted. Monthly OHS committee meetings are held with the participation of senior management.

Processes and policies for the protection of personal data have been established and are regularly updated and monitored.

Customer satisfaction is prioritized in all Group companies, and Customer Survey Forms are used. These forms are sent to customers annually to measure satisfaction, and immediate action is taken when necessary.

The ethical rules and principles specified in the Alarko Group Philosophy, approved by the Board of Directors and the Audit Advisory and Approval Committee (DDO) and accepted by all Alarko Holding A.Ş. employees and management, are shared under the "Ethical Rules and Social Responsibility" section of the Annual Report.

D. Corporate Governance Principles

Sustainability is the focal point of the corporate governance strategy.

Sustainability activities are supported and actively undertaken in all Group companies. In this context, afforestation projects are organized among our Groups, and women's cooperatives are supported. The EFQM excellence model is implemented within the framework of our KalDer membership. The SA 8000 Social Accountability Certificate was obtained by Alarko Carrier in 2005 and renewed in 2014.

Disciplinary procedures are applied regarding bribery and corruption.

Sustainability Principles Compliance Framework

Principle	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information/Link
	Yes	Partial	No	Not Applicable		
A. General Principles						
A1. Strategy, Policy and Goals						
A1.1	The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X			In the company's risk management strategy, the effective management of environmental, social, and governance (ESG) risks, along with financial risks such as market risk, credit risk, currency risk, and liquidity risk, is considered a critical element.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 75-90
	The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X			Policies have been arranged in compliance with Corporate Governance requirements. Additionally, a Responsible Communication Policy has been prepared. Other policies developed in the future will be shared publicly.	Alarko Corporate Website/Investor Relations/Corporate Governance/Policies
A1.2	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X			Targets have been set under the headings of Planet, People and Culture, Digital Transformation, and Innovation.	https://www.alarko.com.tr/en/sustainability/our-sustainability-approach/ https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 103
A2. Implementation/Monitoring						
A2.1	The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X			It has been announced on the Public Disclosure Platform (KAP).	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 96-100
	The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X			It has been reported to the Board of Directors.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 99,98
A2.2	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X			Annual practices and actions are shared within the scope of the report.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 16-24
A2.3	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.			X	Due to improvements in data scope and quality in the calculations for 2023, the latest year's data has been shared.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 211-220
A2.4	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X			Practices and actions are shared within the scope of the report on an annual basis.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 16-24

Sustainability Principles Compliance Framework

Principle	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information/Link
	Yes	Partial	No	Not Applicable		
A3. Reporting						
A3.1	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.		X			Alarko Corporate Website/Investor Relations/Annual Report
A3.2	The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.			X	It includes the sustainability priorities, goals, and performance that Alarko Holding set forth in 2023 in line with its sustainability strategy, and an explanation of the areas in which contributions were made to the United Nations Sustainable Development Goals (SDGs).	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf
A3.3	The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.			X	There is no lawsuits filed in the reporting period.	
A4. Verification						
A4.1	The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.			X	Independent third-party verification was not conducted during the preparation of the report. It is planned to have the ESG Key Performance Indicators determined within the scope of the Turkey Sustainability Reporting Standards (TSRS) verified by an independent third party.	
B. Environmental Principles						
B1	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.		X		ISO 14001 certification has been taken.	Alarko Corporate Website/Investor Relations/Annual Report https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 222
B2	The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.		X		The sustainability performance recorded by Alarko Holding throughout 2023 has been detailed in the 2023 Sustainability Report. Information on our commitment, energy, industry and trade, tourism, agriculture, land development, and investment group companies has been shared within the scope of reporting. The construction activities of the commitment group, Cinecity and Sanda Spa in the tourism group, and the fertilizer, food processing, and seed breeding operations of the agriculture group are not included in the reporting scope. It is planned to expand the reporting scope in the coming years within the scope of the Turkey Sustainability Reporting Standards (TSRS).	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 4
B3	It is provided in A2.1.		X			
B4	The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).			X	Work on the subject is ongoing.	

Principle	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information/Link
	Yes	Partial	No	Not Applicable		
B5		X			Work on the subject is ongoing.	
B6	X					
B7		X			Work on the subject is ongoing.	
B8	X				Memberships and signatories to organizations are included in the latest sustainability report.	https://www.alarko.com.tr/media/dwbbmu4l5/alarko-holding-sustainability-report-2023.pdf page 221
B9			X		Due to improvements in data scope and quality in the calculations for 2023, the latest year's data has been shared.	https://www.alarko.com.tr/media/dwbbmu4l5/alarko-holding-sustainability-report-2023.pdf page 211-220
B10		X			Work on the subject is ongoing.	
B11		X			Due to improvements in data scope and quality in the calculations for 2023, the latest year's data has been shared.	https://www.alarko.com.tr/media/dwbbmu4l5/alarko-holding-sustainability-report-2023.pdf page 211-220
B12			X		Targets have been set. Practices have been shared.	https://www.alarko.com.tr/media/dwbbmu4l5/alarko-holding-sustainability-report-2023.pdf page 16-24
B13			X		It has been examined under the heading "Our Contribution to Climate Action."	https://www.alarko.com.tr/media/dwbbmu4l5/alarko-holding-sustainability-report-2023.pdf page 143-157
B14			X		Targets have been set. Practices have been shared.	https://www.alarko.com.tr/media/dwbbmu4l5/alarko-holding-sustainability-report-2023.pdf page 16-24
		X			Work on the subject is ongoing.	
B15	X				Practices have been shared.	https://www.alarko.com.tr/media/dwbbmu4l5/alarko-holding-sustainability-report-2023.pdf page 16-24

Sustainability Principles Compliance Framework

Principle		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information/Link
		Yes	Partial	No	Not Applicable		
B16	The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				The indicator has been comprehensively shared.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 218
B17	The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.			X		The indicator has been comprehensively shared.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 218-219
B18	The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Practices have been shared.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 16-24, 143-157
B19	The renewable energy production and usage data has been publicly disclosed.	X				Practices have been shared.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 16-24, 143-157
B20	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.		X			Work on the subject is ongoing.	
B21	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				Practices have been shared.	https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 16-24, 219
B22	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).		X			Work on the subject is ongoing.	
B23	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.		X			Work on the subject is ongoing.	
B24	If carbon pricing is applied within the Company, the details have been disclosed.		X			Work on the subject is ongoing.	
B25	The platforms where the Company discloses its environmental information have been disclosed.		X			Work on the subject is ongoing.	

Principle	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information/Link
	Yes	Partial	No	Not Applicable		
C. Social Principles						
C1. Human Rights and Employee Rights						
C1.1	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.		X		It has been included in the Human and Organizational Policy and Stakeholder Policy.	Alarko Corporate Website/Investor Relations/Corporate Governance
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labour standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.		X		It has been included in the Human and Organizational Policy and Stakeholder Policy.	Alarko Corporate Website/Investor Relations/Corporate Governance
C1.3	The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.		X		Work on the subject is ongoing.	
C1.4	Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.		X		It has been included in the Code of Ethics and Working Principles.	Alarko Corporate Website/Investor Relations/Corporate Governance
C1.5	Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.		X		Ethical Behaviour Rules and Working Principles have been included. In the sustainability report, information has been provided regarding training durations and improvement programs.	Alarko Corporate Website/Investor Relations/Corporate Governance https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 91-92
	The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.		X		A knowledge portal has been provided to enable all employees to submit complaints, feedback, and comments within the company. The intranet has been aligned with these issues.	Alarko Corporate Website / Career and Life
	The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.		X		Satisfaction surveys are conducted every two years. Relevant data and studies are included in the report.	Alarko Corporate Website / Career and Life https://www.alarko.com.tr/media/dwbmu415/alarko-holding-sustainability-report-2023.pdf page 176-187

114

Principle	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information/Link
	Yes	Partial	No	Not Applicable		
C2. Stakeholders, International Standards and Initiatives						
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.		X			
C2.2	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.		X		The information has been presented to the public's attention.	https://www.alarko.com.tr/media/dwbmu4l5/alarko-holding-sustainability-report-2023.pdf page 104-105
C2.3	The international reporting standards that adopted in reporting have been explained.		X		The information has been presented to the public's attention.	https://www.alarko.com.tr/media/dwbmu4l5/alarko-holding-sustainability-report-2023.pdf page 4-5
C2.4	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.		X		The information has been presented to the public's attention.	https://www.alarko.com.tr/media/dwbmu4l5/alarko-holding-sustainability-report-2023.pdf page 221
C2.5	The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.		X		The information has been presented to the public's attention.	Data has been entered through the Borsa Istanbul Index data provider platform, and activities for expanding the scope of the index have been carried out.
D. Corporate Governance Principles						
D1	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.		X		The opinions and ideas of internal and external stakeholders have been solicited in prioritization analyses and incorporated into the strategic objectives.	https://www.alarko.com.tr/media/dwbmu4l5/alarko-holding-sustainability-report-2023.pdf page 104-109
D2	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.		X		The information has been presented to the public's attention.	https://www.alarko.com.tr/en/sustainability/social-responsibility/ https://www.alarko.com.tr/media/dwbmu4l5/alarko-holding-sustainability-report-2023.pdf page 205-209

Auditor's Report on the System and Committee for Early Identification of Risks

To the Board of Directors of
Alarko Holding A.Ş.

We have audited the early risk detection system and committee established by Alarko Holding Anonim Şirketi ("Company").

Responsibility of the Board of Directors

Pursuant to the first paragraph of Article 378 of the Turkish Commercial Code No. 6102 ("TCC"), the board of directors is obliged to establish an expert committee, operate and develop the system for the early diagnosis of the reasons that endanger the existence, development and continuity of the company, to implement the necessary measures and remedies and to manage the risk.

Responsibility of the Auditor

Our responsibility is to reach a conclusion regarding the early detection of risk system and committee based on our audit. Our audit was conducted in accordance with the TCC, the "Principles Regarding the Auditor's Report on the Early Detection of Risk System and Committee" published by the Public Oversight, Accounting and Auditing Standards Authority, and ethical rules. These Principles require us to determine whether the company has established an early detection of risk system and committee, and if so, to assess whether the system and committee operate within the framework of Article 378 of the TCC. The appropriateness of the remedies indicated by the early detection of risk committee against risks and the practices implemented by the management against risks are not within the scope of our audit.

Information on the Early Detection of Risk System and Committee

The Company established the committee in 2012 and it consists of 3 members. Since its establishment, the Committee has convened 6 times in total, once every two months, for the purpose of early diagnosis of the reasons that endanger the existence and development of the Company, implementation of necessary measures and solutions and management of risk, and has presented its reports to the Board of Directors.

Conclusion

As a result of the audit we conducted, it was concluded that the early risk detection system and committee of Alarko Holding Anonim Şirketi were sufficient in all their important aspects within the framework of Article 378 of the TCC.

İstanbul,
10 March 2025

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



Independent Auditor's Report on the Board of Directors' Annual Report



To the General Assembly of
Alarko Holding A.Ş.

BDO Türkiye
Tel : +90 212 365 62 00
Fax: +90 212 365 62 01
e-mail: bdo@bdo.com.tr
www.bdo.com.tr

BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş.
Tic.Sicil Numarası : 254683
Mersis Numarası : 0291001084600012
Eski Büyükdere Cad. No: 14 Park Plaza Kat:4
34398 Sarıyer / İstanbul

1. Opinion

We have audited the annual activity report of Alarko Holding Anonim Şirketi ("Company") and its subsidiaries ("Group") for the accounting period of January 1 - December 31, 2024.

In our opinion, the consolidated financial information included in the Board of Directors' annual activity report and the Board of Directors' examinations of the Group's situation are consistent with the audited full set of consolidated financial statements and the information we obtained during the independent audit, in all important aspects, and reflect the truth.

2. Basis For Opinion

The independent audit we conducted was conducted in accordance with the Independent Auditing Standards ("IAS"), which are part of the Turkish Auditing Standards accepted within the framework of the Capital Markets Board ("CMB") regulations and published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities within the scope of these Standards are explained in detail in the Independent Auditor's Responsibilities Regarding the Independent Audit of the Annual Activity Report section of our report. We declare that we are independent from the Group in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) ("Ethical Rules") published by POA and the ethical principles included in the Capital Markets Board legislation and legislation related to independent auditing. We have also fulfilled other responsibilities related to ethics within the scope of the Ethical Rules and legislation. We believe that the independent audit evidence we obtained during the independent audit provides a sufficient and appropriate basis for forming our opinion.

3. Our Auditor's Opinion on the Complete Set of Consolidated Financial Statements

We have expressed a positive opinion in our auditor's report dated March 10, 2025, on the Group's full set of consolidated financial statements for the accounting period of January 1 - December 31, 2024.

4. Responsibility of the Board of Directors Regarding the Annual Activity Report

According to Articles 514 and 516 of the Turkish Commercial Code (TCC) No. 6102 and the "Communiqué on Principles Regarding Financial Reporting in Capital Markets" No. II-14.1 ("Communiqué") of the Capital Markets Board ("CMB"), the Group management is responsible for the following in relation to the annual activity report:

- It prepares the annual activity report within the first three months following the balance sheet date and submits it to the general assembly.
- The annual activity report is prepared in a way that reflects the flow of the Group's activities for that year and its financial situation in all aspects in a correct, complete, straightforward, truthful and honest manner. In this report, the financial situation is evaluated according to the consolidated financial statements. The report also clearly indicates the Group's development and the possible risks it may encounter. The evaluation of the board of directors regarding these issues is also included in the report.
- The activity report also includes the following:
 - Events of special importance occurring in the Group after the end of the operating year,
 - The Group's research and development activities,
 - Financial benefits such as salaries, bonuses, allowances, travel, accommodation and representation expenses, in-kind and cash opportunities, insurances and similar guarantees paid to board members and senior executives.

While preparing the activity report, the board of directors also takes into account the secondary legislation regulations made by the Ministry of Trade of the Republic of Turkey and the relevant institutions.

5. Responsibility of the Independent Auditor Regarding the Independent Audit of the Annual Activity Report

Our aim is to express an opinion on whether the consolidated financial information and the Board of Directors' analysis included in the annual activity report are consistent with the Group's audited consolidated financial statements and the information we obtained during the independent audit and whether they reflect the truth, and to prepare a report containing our opinion, within the framework of the provisions of the TCC and the Communiqué.

The independent audit we conducted was conducted in accordance with the BDSs accepted by the Capital Markets Board. These standards require that the independent audit be planned and conducted in order to ensure compliance with ethical provisions and to obtain reasonable assurance as to whether the consolidated financial information in the activity report and the examinations made by the Board of Directors are consistent with the consolidated financial statements and the information obtained during the audit and whether they reflect the truth.

The name of the engagement partner who supervised and concluded this Audit is Selcuk Sahin.

İstanbul,
11 March 2025

**BDO Denet Bağımsız Denetim
ve Danışmanlık A.Ş.**

Member, BDO International Network



**ALARKO HOLDİNG A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024 WITH
INDEPENDENT AUDITORS' REPORT**

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

CONTENTS

Independent auditor report	121-125
Consolidated statements of financial position	126-127
Consolidated statements of profit or loss and other comprehensive income	128
Consolidated statements of changes in equity	129
Consolidated statements of cash flow	130
Notes to the consolidated financial statement	131-241



CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

To the General Assembly of
Alarko Holding A.Ş.

A. Report To The Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Alarko Holding Anonim Şirketi ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2. Basis For Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "ISA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (included Independent Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters	How The Matter was Handled During the Audit
Revenue Recognition	
<p>The Group generates its revenues from its operations in construction and contracting with industry, trade, energy, tourism and agriculture sectors.</p>	<p>Our audit procedures performed with regard to recognition of revenue are as follows:</p>
<p>Revenue is recognized in accordance with TFRS 15 "Revenue from Customer Contracts" as a result of the realization of the Group's performance obligations and accordingly the transfer of control over products and services to the buyer in consolidated financial statements. The Group applies the percentage of completion method in determining revenue and cost in relation to ongoing construction and contracting contracts. Significant assumptions are used to determine the percentage of completion and total project cost.</p>	<p>In order to test whether the management recognize the revenue in the consolidated financial statements in complete and in the correct period, the internal controls regarding the revenue recognition process have been evaluated.</p>
<p>Recognition of revenue has been determined as a key audit matter due to the importance of revenue in the consolidated financial statements; its increase compared to the prior year and due to the fact that completion of percentage method contains important estimates and assumptions.</p>	<ul style="list-style-type: none"> - The revenue was analytically tested. - Revenue was tested on a sample basis on invoices. - In the substantive testing, it has been evaluated whether the control of the invoiced products was transferred to the customer and whether it was recognized in the financial statements completely and accurately. - In construction projects, estimated completion cost and reasonableness of the Group Management's assumptions, expectations and judgements affecting the revenue recognized by percentage of completion method have been evaluated. - It were tested by sending related parties and third parties confirmation letters through sampling. - Post-balance sheet period collections were inspected to measure reliably that receivables are collectible. - The disclosures in the consolidated financial statement notes regarding the recognition of revenue have been examined and the adequacy of the information contained in these notes has been evaluated in terms of TFRS.
<p>Accounting policies and important accounting evaluations, estimates and assumptions used in accounting of the Group's revenue are presented in Notes 2 and 27.</p>	<p>As a result of the audit works we carried out regarding the revenue recognition, we did not find any significant findings.</p>



Key Audit Matters	How The Matter was Handled During the Audit
Determination of Fair Value of Investment Properties	
<p>The Group presents its investment properties by the fair value method after the initial recognition.</p> <p>The fair values of investment properties are determined by real estate appraisal firms which are authorized by the CMB using their market value. In determining the fair values of the related investment properties, "income reduction", "equal comparison" and "cost approach" methods are used.</p> <p>Since these investment properties constitute a significant part of the Group's total assets and the valuation methods used contain important estimates and assumptions, the valuation of investment properties has been considered as a key audit matter.</p> <p>Accounting policies and important accounting evaluations, estimates and assumptions used in the valuation and recognition of investment properties are presented in Notes 2 and 16.</p>	<p>During our audit, the following audit procedures regarding the fair value of these investment properties were applied:</p> <ul style="list-style-type: none"> - The licenses, competencies and independence of the appraisers appointed by the Group Management have been evaluated. - Appraiser expert has evaluated whether the valuation methods, estimations and assumptions used by the valuation companies in the valuation reports are reasonable. - Discussions were held with the Group Management and department manager. - The disclosures in the consolidated financial statements with regard to the investment properties have been examined and the adequacy of the information contained in these notes has been evaluated in terms of TFRS. <p>As a result of the audit works we carried out regarding the determination of fair value of investment properties, we did not find any significant findings.</p>



4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are adopted within the framework of Capital Markets Board regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be declared in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

- 1) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
- 2) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
- 3) In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 10 March 2025.

The name of the engagement partner who supervised and concluded this audit is Selçuk Şahin.

Istanbul,
10 March 2025

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



Selçuk Şahin, SMMM
Partner in charge

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

ASSETS		Current period	Prior period
		Audited	Audited
	Notes	31 December 2024	31 December 2023
Current assets		19.439.811	22.674.861
Cash and cash equivalents	5	8.736.474	4.726.769
Financial investments	6	4.779.880	9.316.566
Trade receivables		1.878.332	4.228.632
-Trade receivables from related parties	8, 36	397.759	36.466
-Trade receivables from other parties	8	1.480.573	4.192.166
Other receivables		71.648	28.945
-Other receivables from related parties	9, 36	31.700	1.226
-Other receivables from other parties	9	39.948	27.719
Assets arising from customer contracts		24.647	529.788
-Contract assets from ongoing construction and contracting works and commitments	12	24.647	529.613
-Contract assets arising from sales of goods and services	12	-	175
Inventories	10	1.413.841	1.594.028
Prepaid expenses	11	1.162.877	1.185.066
Current income tax assets		106.523	115.962
Other current assets	25	1.256.355	926.573
Sub total		19.430.577	22.652.329
Non-current assets held for sale	17	9.234	22.532
Non-current assets		74.497.243	63.026.784
Financial investments	6	4.028.696	2.535.125
Trade receivables		165	212
-Trade receivables from other parties	8	165	212
Other receivables		192.077	139.799
-Other receivables from related parties	9, 36	187.369	135.053
-Other receivables from other parties	9	4.708	4.746
Investments accounted by equity method	15	43.052.722	41.310.451
Investment properties	16	6.072.844	4.184.298
Property, plant and equipments	18	14.847.021	9.501.949
Right of use assets	20	858.479	851.376
Intangible assets		1.477.450	1.365.921
-Goodwill	21	608.024	650.001
-Other intangible assets	19	869.426	715.920
Prepaid expenses	11	1.521.984	815.181
Deferred tax asset	34	2.324.300	2.137.626
Other non-current assets	25	121.505	184.846
Total assets		93.937.054	85.701.645

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

LIABILITIES		Current period	Prior period
		Audited	Audited
	Notes	31 December 2024	31 December 2023
Short term liabilities		19.033.365	19.008.088
Short term financial liabilities	7	7.435.629	7.157.796
Short term portion of long term financial liabilities	7	470.246	228.658
Trade payables		2.545.785	2.806.850
- Trade payables to related parties	8, 36	915.717	4.383
- Trade payables to third parties	8	1.630.068	2.802.467
Payables related to employee benefits	24	102.615	121.794
Other payables		7.162.895	6.430.819
-Other payables to related parties	9, 36	6.745.690	6.239.803
- Other payables to third parties	9	417.205	191.016
Liabilities arising from customer contracts		447.415	1.124.664
- Contract liabilities arising from ongoing construction and commitments	12	441.560	1.107.953
-Contract liabilities arising from sales of goods and services	12	5.855	16.711
Derivative financial instruments	13	-	7.657
Deferred income (Except for obligations arising from customer contracts)	14	398.858	860.150
Current income tax liabilities	34	377.794	204.297
Short-term provisions		82.629	65.395
-Other short term provisions	22	82.629	65.395
Other current liabilities	25	9.499	8
Long term liabilities		10.201.109	3.242.921
Long-term financial liabilities	7	7.722.905	825.499
Other payables		724.264	845.951
-Other payables to third parties	9	724.264	845.951
Liabilities arising from customer contracts		582	207.071
- Contract liabilities arising from ongoing construction and commitments	12	-	206.467
-Contract liabilities arising from sales of goods and services	12	582	604
Investments accounted by equity method liabilities	15	28.900	40.275
Deferred income (Except for obligations arising from customer contracts)	14	313.342	492.791
Long-term provisions		142.313	170.620
- Long-term provisions related to employee benefit obligations	24	142.313	170.620
Deferred tax liabilities	34	1.268.803	660.714
Equity		64.702.580	63.450.636
Attributable to equity holders of the parents		60.064.537	59.193.859
Paid-in share capital	26	435.000	435.000
Inflation adjustment on capital	26	5.736.580	5.736.580
Repurchased shares (-)	26	(1.141.430)	(869.010)
Cross shareholding adjustment (-)	26	(1.536)	(1.536)
The Effect of mergers involving enterprises or businesses under common control	21	(425.944)	-
Share based payments		(53.394)	-
Other comprehensive income / (expenses) to be reclassified to profit or loss		(93.949)	(109.865)
Revaluation and measurement gain / (loss)		(93.949)	(109.865)
Accumulated other comp. income/(exp.) to be reclassified to profit or loss		3.304.520	2.873.381
-Foreign currency conversion differences		3.304.520	2.879.338
-Gains / (losses) from financial assets at fair value through other comprehensive income		-	(5.957)
Restricted reserves	26	1.524.470	1.143.455
Dividend advances paid (-)		-	(991.423)
Retained earnings or accumulated losses	26	49.022.950	41.411.719
Net profit or loss for the period		1.757.270	9.565.558
Non-controlling interest	26	4.638.043	4.256.777
Total liabilities		93.937.054	85.701.645

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

		Current period	Prior period
		Audited	Audited
		1 January	1 January
	Notes	31 December 2024	31 December 2023
PROFIT OR LOSS			
Revenue	27	7.598.275	11.977.992
Cost of sales (-)	27	(7.273.922)	(10.984.459)
Gross profit		324.353	993.533
General administrative expenses (-)	28	(1.859.621)	(1.398.213)
Marketing expenses (-)	28	(207.644)	(121.781)
Research and development expenses (-)		(24.732)	(343)
Other income from operating activities	30	2.685.982	5.642.363
Other expenses from operating activities (-)	30	(1.041.615)	(1.061.649)
Operating profit / (loss)		(123.277)	4.053.910
Income from investing activities	31	3.815.977	2.618.447
Expenses from investing activities (-)	31	(45.990)	(86.484)
Share of profits / (losses) of investments accounted by equity method	15	2.888.838	8.156.261
Operating profit / (loss) before financial income / (expense)		6.535.548	14.742.134
Financial income	32	922.245	532.245
Financial expenses (-)	32	(3.522.131)	(1.957.600)
Monetary (loss)/gain (Net)	33	(1.214.879)	(3.471.454)
Profit / (loss) before tax from continued operations		2.720.783	9.845.325
Tax (expense) / income of continued operations	34	(628.259)	127.013
- Tax (expense) / income for the period	34	(484.459)	(720.501)
- Deferred tax (expense) / income	34	(143.800)	847.514
Net profit / (loss) from continued operations		2.092.524	9.972.338
Profit / (loss) for the period		2.092.524	9.972.338
Distribution of profit / (loss) for the period			
- Non-controlling interest	26	335.254	406.780
- Parent company shares	35	1.757.270	9.565.558
Earnings per share / (loss)		4,102	22,245
- Earnings / (loss) per share	35	4,102	22,245
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit or loss		15.605	39.649
- Actuarial gain / (loss) arising from defined benefit plans	24	20.851	(7.998)
-Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit / loss		(948)	55.761
-Tax of other comprehensive income not to be reclassified to profit or loss		(4.298)	(8.114)
Deferred tax income / (expense)		(4.298)	(8.114)
Items to be reclassified to profit or loss		434.383	870.999
- Currency translation differences relate to the translation of businesses abroad		825.004	(114.554)
- Other comprehensive income/(expense) related to financial assets whose fair value difference is reflected in other comprehensive income		5.952	(424)
- Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss		(396.573)	985.977
Other comprehensive income / (expense)		449.988	910.648
Total comprehensive income / (expense)		2.542.512	10.882.986
Distribution of total comprehensive income / (expense)			
- Non-controlling interest		341.128	463.247
- Parent company shares		2.201.384	10.419.739

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

	Notes	Paid-in share capital	Inflation adjustments on capital	Repurchased shares	Share based payments	Gain / (loss) on remeasurement of defined benefit plans	Other comprehensive income/ expenses not to be reclassified to profit or loss	Currency translation differences	Gain / (loss) from financial assets at fair value through the statement of other comprehensive income	Restricted reserves allocated from profit	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
Balance as of 1 January 2023	26	435.000	5.736.580	(417.365)	(1.536)	-	(150.453)	2.064.132	(5.533)	679.509	-	18.078.721	24.120.242	50.539.297	3.874.714	54.414.011
Transfers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (expense)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit / (loss) for the period		-	-	-	-	-	39.399	815.206	(424)	13.880	-	24.106.362	(24.120.242)	10.419.739	463.247	10.882.986
Other comprehensive income / (expense)		-	-	-	-	-	-	-	-	-	-	-	-	9.565.558	406.780	9.972.338
Dividend advances paid during the period		-	-	-	-	-	39.399	815.206	(424)	-	-	-	-	854.181	56.467	910.648
Dividend payments		-	-	-	-	-	-	-	-	-	(991.423)	-	-	(991.423)	-	(991.423)
Increase / (decrease) due to share buyback transactions	35	-	-	5.978	(457.623)	-	-	-	-	450.066	-	(291.476)	-	(285.498)	(109.604)	(395.102)
Acquisition or disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	(7.204)	(464.827)
Increase/decrease in shareholding rate changes in subsidiaries that did not result in loss of control		-	-	-	-	-	1.189	-	-	-	-	(31.822)	-	(30.633)	762	(29.871)
Transactions with non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	-	-	250	250
Balance as of 31 December 2023	26	435.000	5.736.580	(869.010)	(1.536)	-	(109.865)	2.879.338	(5.957)	1.143.455	(991.423)	41.411.719	9.565.558	59.193.859	4.256.777	63.450.636
Balance as of 1 January 2024	26	435.000	5.736.580	(869.010)	(1.536)	-	(109.865)	2.879.338	(5.957)	1.143.455	(991.423)	41.411.719	9.565.558	59.193.859	4.256.777	63.450.636
Transfers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (expense)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit / (loss) for the period		-	-	-	-	-	15.958	422.199	5.957	55.028	991.423	8.519.107	(9.565.558)	2.201.384	341.128	2.542.512
Other comprehensive income / (expense)		-	-	-	-	-	-	-	-	-	-	-	-	1.757.270	335.254	2.092.524
Effect of mergers involving enterprises or businesses under common control		-	-	-	-	-	15.958	422.199	5.957	-	-	-	-	444.114	5.874	449.988
Dividends		-	-	-	-	(425.944)	-	-	-	-	-	-	-	(425.944)	-	(425.944)
Increase / (decrease) due to share buyback transactions	35	-	-	219	(325.987)	-	-	-	-	325.987	-	(491.636)	-	(325.987)	(3.972)	(495.389)
Increase / (decrease) due to share-based transactions		-	-	53.394	-	-	(53.394)	-	-	-	-	-	-	-	-	-
Acquisition or disposal of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease in shareholding rate changes in subsidiaries that did not result in loss of control		-	-	(46)	-	-	(42)	2.983	-	-	-	39.580	-	42.475	(13.601)	28.874
Transactions with non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	-	-	856	856
Increase / (Decrease) due to other changes		-	-	-	-	-	-	-	-	-	-	(129.833)	-	(129.833)	(123.619)	(253.452)
Balance as of 31 December 2024	26	435.000	5.736.580	(1.141.430)	(1.536)	(425.944)	(93.949)	3.304.520	-	1.524.470	-	49.022.950	1.757.270	60.064.537	4.638.043	64.702.580

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

		Audited	Audited
		Current period	Prior period
		1 January 2024	1 January 2023
	Notes	31 December 2024	31 December 2023
A. Cash flows arising from principal activities		1.263.675	3.975.876
Profit/ (loss) for the period		2.092.524	9.972.338
Adjustments related to reconciliation of profit/ (loss) for the period		(1.180.775)	(271.871)
-Adjustments related to depreciation and amortization	18,19,20	747.404	602.729
-Adjustments related to provisions		47.148	21.619
-Adjustments related to interest (income) / expense		(364.143)	(563.021)
-Adjustment related to unrealized exchange losses		1.589.426	1.198.022
- Adjustments related to share-based payments		53.394	-
-Adjustments on losses/(gains) of fair value	13,16	(1.190.162)	(628.748)
-Cash flows from investments accounted by equity method	15	(2.888.838)	(8.156.261)
-Adjustments related to tax expense / (income)	34	628.260	(127.013)
-Adjustments related to (gain) / loss on sale of fixed assets		(899.708)	(219.695)
-Adjustments related to losses / (gains) on disposal of non-current assets held for sale or to be distributed to shareholders		(5.294)	(45.944)
-Other adjustments related to cash flows arising from investment and financing activities		(405.701)	(240.699)
Adjustments related to monetary gain / (loss)		1.479.888	7.890.729
-Other adjustments for reconciliation of profit / (loss)		27.551	(3.589)
Net working capital changes		(201.765)	(5.484.505)
- Adjustments in decrease / (increase) in trade receivables	8	2.305.785	(381.984)
- Adjustments in decrease / (increase) in other receivables related to operations	9	(94.981)	19.601
- Adjustments in decrease / (increase) in assets arising from customer contract	12	505.141	(494.553)
- Adjustments in decrease / (increase) in inventories	10	180.187	677.424
- Adjustments in decrease / (increase) in prepaid expense	11	(684.614)	(1.029.026)
- Adjustments in increase / (decrease) in trade payables	8	(244.750)	270.575
- Adjustments in increase / (decrease) in employee benefit payables	24	(19.179)	35.957
- Adjustments in increase / (decrease) in liabilities arising from customer contracts	12	(883.738)	(834.218)
- Adjustments in increase / (decrease) in other payables related to operations	9	556.995	(1.085.976)
- Adjustments in increase / (decrease) in deferred income (except for obligations arising from customer contracts)	14	(640.741)	(662.178)
- Adjustments in other increase / (decrease) in working capital		(1.181.870)	(2.000.127)
Cash flows arising from principal activities		709.984	4.215.962
Interest received	30	901.328	566.273
Cash outflows arising from capital increase of associates and/or joint ventures		-	(74.792)
Payments related to employee benefit obligations	24	(29.299)	(52.834)
Payments for other provisions	22	(7.375)	(1.465)
Tax returns / (payments)		(310.963)	(677.268)
B. Cash flows from investing activities		(1.284.444)	(7.037.828)
Cash outflows related to acquisitions to obtain control of subsidiaries		(1.173.220)	(1.713.893)
Cash outflows due to share purchase or capital increase of subsidiaries and/or joint ventures		(534.385)	-
Cash inflows from the sale of shares or debt instruments of other business or funds		5.004.081	-
Cash disbursements for acquisition of other enterprises' or funds' shares or debt instruments	6	(1.493.571)	(7.024.191)
Cash inflows from the sales of property, plant and equipment and intangible assets		966.586	269.461
Cash disbursements from purchase of property, plant and equipment and intangible assets	18,19	(6.309.121)	(4.632.995)
Cash proceeds from sale of non-current assets held for sale		8.834	63.892
Dividends received		2.246.352	5.999.898
C. Cash flows arising from financing activities		4.658.370	542.349
Cash outflows related to the acquisition of the entity's own interests and other equity instruments		(325.987)	(464.827)
Cash inflows arising from borrowing	7	9.957.406	3.370.037
Cash outflows related to debt payments	7	(3.897.696)	(896.342)
Cash outflows from debt payments arising from rental contracts	7	(31.172)	(45.124)
Dividend paid		(495.389)	(1.386.525)
Interest paid	7	(548.792)	(34.870)
Net increase / (decrease) on cash and cash equivalents before the currency translation differences		4.637.601	(2.519.603)
D. Effect of currency translation differences on cash and cash equivalents		825.006	(114.554)
Increase / (decrease) in cash and cash equivalents		5.462.607	(2.634.157)
Cash and cash equivalents at the beginning of the period	5	4.726.769	12.106.535
Monetary gain (loss) on cash and cash equivalents		(1.452.902)	(4.745.609)
Cash and cash equivalents at the end of the period	5	8.736.474	4.726.769

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands 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, agriculture and energy, aviation. 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:

		Shareholding of the Group (%)	
Company Name	Principle Activities	31 December 2024	31 December 2023
Subsidiaries ^(*):			
Alsim Alarko San. Tes. ve Tic. A.Ş. (Turkey)	Contracting and Construction	99,99	99,91
Aldem Alarko Konut İnşaat ve Tic. A.Ş. (Turkey)	Residence, Construction	100,00	100,00
Attaş Alarko Turistik Tesisler A.Ş. (Turkey)	Tourism Facility Management	99,99	99,91
Alarko Fenni Malzeme Satış ve İmalat A.Ş. (Turkey)	Marketing of Industrial Products and After Sales Services	100,00	99,99
Alen Alarko Enerji Tic. A.Ş. (Turkey)	Electrical Power Purchase and Sale Import and Export	100,00	99,94
Alarko Gayrimenkul Yatırım Ort. A.Ş. (Turkey) ^(**)	Purchase and Sales of Real Estates and Market Tools Related to Real Estates	51,23	51,20
Alsim – TCDD(Turkey)	TCDD Ankara- Eskişehir High Speed Railway Project	99,99	99,91
Astana Su- Taldykol Göl Arıtma Projesi (Kazakhstan)	Supply of Water and Cleaning of Lake Projects	99,99	99,91
Alarko Tarım Sanayi ve Ticaret A.Ş. (Turkey)	Agriculture and Food Production Processing and Trading Service	100,00	100,00
Alarko Enerji A.Ş. (Turkey)	Power Generation	100,00	99,93
Garanti Koza – Alsim Ortak Girişimi (Turkey)	Subway Construction Project	99,99	99,91
Altek Alarko Elektrik Sant. Tes. İşl. ve Tic. A.Ş. (Turkey)	Production of Electrical Energy	100,00	99,94
Bozshakol Bakır Tesisi Projesi (Kazakhstan)	Copper Facility Project	99,99	99,91
AO Mosalarko (Russia)	Russia-Real Estate Project, Construction and Utilization	51,23	51,20
Aktau Manasha Yol Projesi (Kazakhstan) ^(***)	Road Construction Project	-	99,91
Aktogay Bakır Konsantr Tesisi Projesi (Kazakhstan)	Copper Processing Plant Project	99,99	99,91
Alarko Konut Projeleri GeliştirmeA.Ş. (Turkey)	Purchase and Sales of Real Estates and Market Tools Related to Real Estates	99,99	99,91
Alsim Alarko Sanayi Tes. ve Tic. A.Ş. Astana No: 2 Şubesi(Kazakhstan)	Construction and Montage Work	99,99	99,91
Tüm Tesisat ve İnşaat A.Ş. (Turkey) ^(****)	Construction and Installation Works	-	50,15
Alsim Alarko S.R.L.(Romania)	Construction	99,99	99,91
Saret KZ (Kazakhstan)	Construction Works	100,00	100,00
Alsim Almaty Şubesi (Kazakhstan) ^(***)	Construction Works	-	99,91
Alsim Alarko San. Tes. ve Ticaret Bükreş Şubesi(Romania)	Highway Construction Project	99,99	99,91
Alyat Teknoloji Yatırımları Holding A.Ş . (Turkey)	Financial Holding	99,88	99,50

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

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

^(***) As of December 31, 2024, it was transferred to Alsim Alarko San. Tes. Ve Tic. A.Ş.

^(****) As of December 31, 2024, it was transferred to Aldem Alarko Konut İnşaat ve Tic. A.Ş.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands 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):

		Shareholding of the Group (%)	
Company Name	Principle Activities	31 December 2024	31 December 2023
Subsidiaries ^(*) :			
Alsera Jeotermal Tarım Gıda San.ve Tic. A.Ş. (Turkey)	Greenhouse Based on Geothermal Energy	100,00	100,00
Alser Alarko Sermaye Yatırımları Holding A.Ş . (Turkey)	Financial Holding	100,00	99,97
Palmira Agro Gübre Sanayi ve TicaretA.Ş. (Turkey)	Micro Granular Fertilizer Production	80,00	80,00
Antsan Tarım Sanayi ve TicaretA.Ş. (Turkey) ^(****)	Greenhouse Based on Geothermal Energy	-	100,00
Alarko Gübre Fabrikaları Sanayi ve Ticaret A.Ş. (Turkey)	Manure Production and Marketing	100,00	100,00
Alarko Gıda Sanayi ve Ticaret A.Ş. (Turkey)	Food, Food Management	100,00	100,00
Alarko Havacılık Endüstri Yatırımları A.Ş. (Turkey)	Aviation and Aircraft Technical Maintenance	100,00	100,00
Alden Jeotermal Tarım Gıda Sanayi ve TicaretA.Ş. (Turkey) ^(****)	Agriculture, Food, Food Business and Geothermal Energy Activities	-	100,00
Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret A.Ş. (Turkey) ^(****)	Agriculture, Food, Food Business and	-	100,00
Alpark Jeotermal Sağlık Turizm ve Depoculuk A.Ş. (Turkey) ^(****)	Geothermal Energy Activities	-	100,00
Alurla Jeotermal Sağlık Turizm A.Ş. (Turkey) ^(****)	Geothermal Energy Activities	-	100,00
Albi Bitkisel İlaç Ham Maddeleri Üretim Sanayi ve Ticaret A.Ş. (Turkey)	Herbal Pharmaceutical Raw Materials	100,00	100,00
Hak Gayrimenkul Tarım Sanayi ve Ticaret A.Ş. (Turkey) ^(****)	Geothermal Energy Activities	-	100,00
Altes Seracılık Tarım Gıda Sanayi ve TicaretA.Ş. (Turkey) ^(****)	Greenhouse Cultivation	-	100,00
Alziraat Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. (Turkey) ^(****)	Agriculture, Greenhouse	-	100,00
Genseed Tohum Islah ve Üretim A.Ş. (Turkey)	Seed Breeding and Production	80,00	80,00
Alarko Dijital Teknoloji Çözümleri A.Ş. (Turkey) ^(***)	Information Technologies	100,00	-
Beybur Tarım ve Hayvancılık A.Ş. (Turkey) ^(*****)	Agriculture	100,00	-
Nata Tarım Üretim ve Ticaret A.Ş. (Turkey) ^(*****)	Greenhouse Farming Based on Geothermal Energy	100,00	-
Jedi Tarım Üretim ve Ticaret A.Ş. (Turkey) ^(*****)	Greenhouse Farming Based on Geothermal Energy	100,00	-
Samdi Tarım Üretim ve Ticaret A.Ş. (Turkey) ^(*****)	Greenhouse Farming Based on Geothermal Energy	100,00	-
Mekredi Tarım Üretim ve Ticaret A.Ş. (Turkey) ^(*****)	Greenhouse Farming Based on Geothermal Energy	100,00	-
Camser Tarım Gıda A.Ş. (Turkey) ^(*****)	Agriculture, Greenhouse Farming	51,00	-
Seraf Tarım ve Hayvancılık A.Ş. (Turkey) ^(*****)	Agriculture	100,00	-
Too Alsera KZ (Kazakistan) ^(*****)	Agriculture, Greenhouse Farming	100,00	-
Alfor Aviation and Technical Services Ltd. (England, Galler) ^(*****)	Aviation and Aircraft Technical Maintenance	51,00	-

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

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

(***) Included in the consolidation as of 31 March 2024.

(****) As of June 30, 2024, it was transferred to Alsera Jeotermal Tarım Gıda San.ve Tic. A.Ş.

(*****) Included in the consolidation as of 30 June 2024.

(*****) Included in the consolidation as of 30 June 2024.

(*****) Included in the consolidation as of 31 December 2024

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands 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):

		Shareholding of the Group (%)	
		31 December 2024	31 December 2023
Company Name	Principle Activities		
Joint Controlled Entities ^(*) :			
Alarko Carrier Sanayi ve Ticaret A.Ş. (Turkey) ^(**)	Heating, Cooling , Air Conditioning Equipment Manufacturing	42,03	42,03
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Spain)	TCDD Ankara – Eskişehir High Speed Railway Project	45,00	44,96
Alarko – Makyol Adi Ortaklığı (Turkey)	Subway Construction Project	49,99	49,95
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş.(Turkey)	Establishing, Transferring or Operating Electrical Power Distribution Facility	50,00	49,96
Meram Elektrik Dağıtım A.Ş. (Turkey)	Electrical Power Distribution	50,00	49,96
Meram Elektrik Enerjisi Toptan Satış A.Ş. (Turkey)	Electrical Power Sale	50,00	49,96
Cenal Elektrik Üretim A.Ş. (Turkey)	Constructing and Administrating		
Meram Elektrik Perakende Satış A.Ş.(Turkey)	Electrical Power Sale	50,00	49,96
Utilitek Bilgi Teknolojileri A.Ş.(Turkey)	Computer Programming Activities	50,00	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	33,30	33,27
Bakad International B.V. (Holland)	Non-Financial Holding	33,30	33,27
Barr Operation and Maintenance LLP (Kazakhstan)	Highway Maintenance and Operation	25,00	24,98
İpeks Jeotermal Enerji Tarım Sanayi Ticaret A.Ş. (Turkey) ^(****)	Greenhouse Farming Based on Geothermal Energy	49,00	-
Sanrose Tarım Sanayi ve Ticaret A.Ş. (Turkey) ^(****)	Flower Horticulture Production, Purchase and Sale, and Marketing	25,00	-
Joint Activities ^(**) :			
Alarko Cengiz Metro Ortak Girişimi (Turkey)	Subway Construction Project	49,99	49,95
Bükreş Uluslararası Havalimanı Demiryolu Bağlantısı 6. Metro Kesimi (Romania)	Subway Construction Project	49,99	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. (BIST).

^(****) Included in the consolidation with 31 March 2024.

^(*****) Included in the consolidation with 30 June 2024.

		Shareholding of the Group (%)	
		31 December 2024	31 December 2023
Company Name	Principle Activities		
Affiliates ^(*) :			
Al-Riva Projesi Arazi Değ. Konut İnş. ve Tic. A.Ş (Turkey) ^(**)	Residence, Construction	12,14	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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands 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 31 December 2024 and 2023, the shareholding structure is as follows:

	31 December 2024	31 December 2023
Name	Shareholding	Shareholding
Alaton Family	%29,04	%31,54
Garih Family	%30,72	%31,72
Other ^(*)	%40,24	%36,74
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 31 December 2024, 37,12 % 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 15,94% 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:

	31 December 2024	31 December 2023
Salary earners	1.862	1.813
Wage earners	3.944	3.402
Total	5.806	5.215

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

i. Basis of presentation

Statement of compliance to TFRS

The accompanying consolidated financial statements have been prepared based on Turkish Accounting Standards/ Turkish Financial Reporting Standards ("TAS/TFRS") and attachments and interpretations of the aforementioned standards in line with international standards published by POA in accordance with "Communiqué on Principles regarding Financial Reporting in Capital Markets" ("the Communiqué") numbered Seri II, 14,1 of CMB published in Official Gazette dated June 13, 2013 and numbered 28676, TAS consists of Turkish Accounting Standards and attachments and interpretations of aforementioned standards.

The accompanying consolidated financial statements and footnotes have been presented in accordance with the formats determined in the Financial Statement Examples and User Guide published by the CMB and in accordance with the 2024 TFRS taxonomy published by the POA on April 15, 2019 and updated on July 3, 2024.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

i. Basis of presentation (continued)

Statement of compliance to TFRS (continued)

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Turkish Accounting Standards published by the POA. Alarko Holding A.Ş. and its subsidiaries, joint operations, 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 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 and fair value conversion.

Restatement Of Financial Statements During The Hyperinflationary Periods

With the statement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, businesses applying TFRS have started to apply inflation accounting in accordance with TAS 29 Financial Reporting Standard in Hyperinflationary Economies as of their financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements of businesses whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared according to the historical cost principle, except for those measured at fair value. All comparative amounts of the financial statements and previous periods have been adjusted according to the changes in the general purchasing power of the Turkish Lira in accordance with TAS 29 and finally expressed in terms of the purchasing power of the Turkish Lira on December 31, 2024.

In the application of TAS 29, the company used the correction coefficients obtained according to the Consumer Price Indexes (CPI) published by the Turkish Statistical Institute in accordance with the guidance of the POA. The indexes and correction coefficients used in the correction of the financial statements as of December 31, 2024 are as follows:

The table in down below shows the development of CPI over the last three years by 31 December 2024:

Date	Index	Three-Year Compound Inflation Rate	Correction Coefficient
31 December 2024	2.684,55	291%	1,00000
31 December 2023	1.859,38	268%	1,44379
31 December 2022	1.128,45	156%	2,37897

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

i. Basis of presentation (continued)

Restatement Of Financial Statements During The Hyperinflationary Periods (continued)

In order to make the necessary adjustments to the financial statements in accordance with IAS 29, assets and liabilities were first separated as monetary and non-monetary, and non-monetary assets and liabilities were subjected to an additional separation as those measured at current value and those measured at cost value.

Monetary items (except those linked to an index) and non-monetary items measured at their current value at the end of the reporting period have not been subject to inflation adjustment since they are currently expressed in the current measurement unit as of December 31, 2024. Non-monetary items not expressed in the measurement unit as of December 31, 2024 have been subject to inflation adjustment using the relevant coefficient. In cases where the inflation-adjusted value of non-monetary items exceeds the recoverable amount or net realizable value, the carrying value has been reduced by applying the relevant TFRS. In addition, inflation adjustments have been made to all items in the statement of equity items and profit or loss and other comprehensive income. Non-monetary items acquired or assumed before January 1, 2005, when the Turkish Lira ceased to be defined as the currency of a hyperinflationary economy, and equity items established or put into operation before this date have been adjusted according to the changes in the CPI from January 1, 2005 to December 31, 2024.

Currency used

The functional currency of the Parent Company is Turkish Lira (TL) and the accompanying consolidated financial statements and related notes are presented in Turkish Lira(TL). The functional currencies of the subsidiaries, joint operations 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. The items of statements of financial position are translated into TL at the foreign exchange rate at the reporting date, and income and expenses are translated at the yearly average rate. Profits or losses arising from translation are stated in the "foreign currency translation differences" in the statement of profit or loss and other comprehensive income.

Approval of consolidated financial statements

Consolidated financial statements as of 31 December 2024 are approved at 10 March 2025 by the Company's Board of Directors. General Assembly and other regulatory organs reserve their right to modify and change these consolidated financial statements.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

i. Basis of presentation (continued)

Comparative information and restatement of prior period financial statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance trends. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary.

In the consolidated profit/loss and other comprehensive income statement dated December 31, 2023, interest and maturity difference income included in the other income item from main activities, TL 499.182, has been classified as financial income.

In the consolidated profit/loss and other comprehensive income statement dated December 31, 2023, maturity difference expenses included in the other expenses item from main activities, TL 717.857, has been classified as financial expenses.

Going concern

The consolidated financial statements including the accounts of the Parent Company, its associates, joint ventures and subsidiaries have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge of liabilities in the normal course of business.

ii. Consolidation principles:

- (a) The consolidated financial statements include the accounts of the parent company, Alarko Holding A.Ş. 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 indirectly by themselves. 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 of the Subsidiaries are consolidated on a line-by-line basis and the carrying 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 A.Ş. in its Subsidiaries and the associated dividends are eliminated from equity and income for the period, respectively.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**ii. Consolidation principles (continued)**

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.

- (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.
- (g) Business Combinations Under Common Control:

The merger transactions that took place within the Group and the details of which are given in footnote 3 are mergers involving businesses under common control, and the "TFRS 3 Business Combinations" standard has not been applied. Since there is no specific provision in TFRS regarding the accounting of mergers carried out by businesses under common control, a principle decision was published by the POA on October 17, 2018 in order to eliminate the differences in accounting policies that may be seen in practices on this subject. In accordance with the principle decision, the correction explained in Footnote 3 has been made.

iii. Changes in accounting estimates and errors

Consolidated statements of financial position as of 31 December 2024 and 2023 and notes selected in relation to these consolidated statements of financial position as well as the consolidated statements of profit or loss and other comprehensive income, consolidated cash flows and consolidated changes in equity for the years ended have been presented comparatively.

Alarko Group has applied its accounting policies consistently with the previous year. Significant changes in accounting policies and significant accounting errors detected are applied retrospectively and the previous period financial statements are restated. Changes in accounting estimates, if they are related to only one period, are applied in the current period in which the change is made, and if they are related to future periods, they are applied prospectively in both the period in which the change is made and the future period. In the current year, Büyükçekmece land of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries, was transferred from stocks to investment properties.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

iv. New and revised Turkish Financial Reporting Standards

The accounting policies taken as basis in the preparation of the consolidated financial statements for the accounting period ending as of December 31, 2024 have been applied consistently with those used in the previous year, except for the new and amended Turkish Accounting Standards ("TAS")/Turkish Financial Reporting Standards ("TFRS") and TAS/TFRS interpretations effective as of January 1, 2023, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

a) New standards, amendments and interpretations effective as of January 1, 2024

TAS 1 Amendments - Classification of liabilities as short-term and long-term;

In March 2020 and January 2023, the POA made amendments to TAS 1 to determine the principles for classifying liabilities as short-term and long-term. According to the amendments made in January 2023, if the entity's right to defer payment of a liability is dependent on compliance with the terms of the credit agreement at a date after the reporting period, it has the right to defer the liability in question as of the end of the reporting period (even if it does not comply with the relevant terms at the end of the reporting period). When a liability arising from a credit agreement is classified as long-term and the entity's right to defer payment is dependent on compliance with the terms of the credit agreement within 12 months, the January 2023 amendments require entities to make various disclosures. These disclosures should include information about the terms of the credit agreement and related liabilities. In addition, the amendments clarified that the right to defer payment for long-term classification must exist as of the end of the reporting period, regardless of whether compliance with the contractual terms will be tested at the reporting date or a later date. The amendments clearly stated that the possibility of the entity not exercising the right to defer payment for at least twelve months after the reporting period will not affect the classification of the liability. The amendments are applied retroactively in accordance with TAS 8. The amendment did not have a significant impact on the Group's financial position and performance.

TAS 7 and TFRS 7 Amendments - Explanations: Supplier Finance Agreements;

The amendments published by the POA in September 2023 introduce explanations that improve existing provisions in order to contribute to the understanding of the effects of supplier financing agreements on the liabilities, cash flows and liquidity risks to which the company is exposed by financial statement users. Supplier financing agreements are defined as agreements under which one or more financing providers undertake to pay the company's debt to its supplier and the company agrees to make payment on or after the date the payment is made to the supplier. These amendments require disclosures on the terms and conditions of such agreements, quantitative information on the obligations arising from them as of the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amount of these obligations. In addition, supplier financing arrangements are shown as examples of other factors that may be required to be disclosed within the scope of quantitative disclosures on liquidity risk required in TFRS 7. This amendment did not have a significant impact on the Group's financial position and performance.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

iv. New and revised Turkish Financial Reporting Standards (continued)

a) New standards, amendments and interpretations effective as of January 1, 2024 (continued)

TFRS 16 Amendments - Lease obligations in sale and leaseback transactions;

In January 2023, the POA published amendments to TFRS 16. These amendments determine the provisions to be applied in the measurement of lease obligations arising from the sale and leaseback transaction by the seller-lessee in a way that will ensure that no gain or loss is recognized in relation to the remaining right of use. In this context, the seller-lessee will determine the "lease payments" or "revised lease payments" in a way that will not recognize any gain or loss in relation to the remaining right of use while applying the provisions of TFRS 16 under the heading "Subsequent measurement of the lease obligation" after the date the sale and leaseback transaction actually begins. The amendments do not include a specific provision for the measurement of lease obligations arising from leasebacks. The initial measurement of such lease obligations may result in the determination of payments as lease payments that are different from those included in the definition of lease payments in TFRS 16. The seller-lessee will be required to develop and implement an accounting policy that will provide reliable and relevant information in accordance with TAS 8. The seller-lessee is applying the amendments retroactively to the sale and leaseback transactions it has entered into after the initial application date of TFRS 16 in accordance with TAS 8. The amendments have not had a significant impact on the Group's financial position and performance.

b) Standards Published as of December 31, 2024, but Not Entered into Force and Not Put into Early Implementation:

Amendments to TFRS 10 and TS 28: Sales or Contributions of Assets by an Investor to an Associate or Joint Venture;

The POA has postponed the effective date of the amendments made to TFRS 10 and TAS 28 in December 2017 indefinitely, to be changed depending on the ongoing research project outputs regarding the equity method. However, it still allows early application. The effects of the amendment on the Group's financial position and performance are being evaluated.

TAS 21 Amendments - Lack of Exchangeability;

In May 2024, the POA published amendments to TAS 21. The amendments determine how to assess whether a currency is fungible and how to determine the applicable exchange rate in cases where the currency is not fungible. According to the amendment, when an estimate of the applicable exchange rate is made because a currency is not fungible, information that enables financial statement users to understand how the inability to fungible currency with another currency affects or is expected to affect the company's performance, financial position and cash flow is disclosed. The amendments shall be applied for annual reporting periods beginning on or after 1 January 2025. Early application is permitted, in which case information shall be provided in the footnotes. When the amendments are applied, comparative information shall not be restated. The Community shall assess the effects of such amendments after the standards have been finalised.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

iv. New and revised Turkish Financial Reporting Standards (continued)

b) Standards Published as of December 31, 2024 but not yet in force or early implementation:

TFRS 17 – New Insurance Contracts Standard;

In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that allows both the measurement of liabilities arising from insurance contracts with current balance sheet values and the recognition of profit throughout the period in which the services are provided. With the announcement made by the POA, the mandatory effective date of the Standard has been postponed to accounting periods starting on or after January 1, 2025. The Standard is not applicable to the Group.

c) Changes effective from the moment of publication:

TAS 12 Amendments – International Tax Reform – Second Pillar Model Rules;

In September 2023, the POA published amendments to TAS 12, which introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. These amendments clarify that TAS 12 will be applied to income data arising from tax laws that have entered into force or are close to entering into force for the purpose of applying the Second Pillar Model Rules published by the Organisation for Economic Co-operation and Development (OECD). These amendments also introduce certain disclosure provisions for businesses affected by such tax laws. The exception that information on deferred taxes in this context will not be recognized and disclosed and the disclosure provision that the exception has been applied will be implemented upon publication of the amendment. The amendment did not have a significant impact on the Group's financial position and performance.

d) Changes published by the International Accounting Standards Board (IASB) but not published by the POA:

The following amendments to TFRS 9 and TFRS 7, Annual Improvements to TFRS Accounting Standards and TFRS 18 and TFRS 19 Standards have been published by the IASB but have not yet been adapted/published to TFRS by the POA. Therefore, they do not constitute a part of TFRS. The Group will make the necessary amendments to the consolidated financial statements and footnotes after this Standard and amendments enter into force in TFRS.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

iv. New and revised Turkish Financial Reporting Standards (continued)

d) Amendments published by the International Accounting Standards Board (IASB) but not published by the POA (continued):

TFRS 9 and TFRS 7 Amendments - Classification and Measurement of Financial Instruments;

In May 2024, the IASB published amendments (related to TFRS 9 and TFRS 7) regarding the classification and measurement of financial instruments. The amendment clarified that financial liabilities will be derecognized on the "delivery date". However, the amendment introduces the accounting policy preference for derecognizing financial liabilities fulfilled through electronic payment systems before the delivery date, provided that certain conditions are met. In addition, the amendment introduces explanatory provisions on how to evaluate the contractual cash flow characteristics of financial assets with environmental, social governance (ESG) or other conditional similar features, as well as applications for non-callable assets and contractually linked financial instruments. In addition, with this amendment, additional explanations have been added to TFRS 7 for financial assets and liabilities that contain contractual provisions that reference a conditional event (including those with ESG links) and equity-based financial instruments measured at fair value through other comprehensive income. The effects of this amendment on the Group's financial position and performance are being assessed.

Annual Improvements to TFRS Accounting Standards – 11th Amendment

Annual improvements are limited to changes that clarify language in an Accounting Standard or correct relatively minor unintended consequences, oversights, or inconsistencies among provisions in an Accounting Standard. The 2024 changes are for the following standards:

- TFRS 1 First-time Application of Turkish Financial Reporting Standards;
- TFRS 7 Financial Instruments: Disclosures and Guidance on the Application of TFRS 7, which is attached to the Standard;
- TFRS 9 Financial Instruments;
- TFRS 10 Consolidated Financial Statements and - IAS 7 Cash Flow Statement

The effects of these changes on the Group's financial position and performance are being evaluated.

Amendments to TFRS 9 and TFRS 7 – Contracts Concerning Electricity Produced from Natural Resources;

The IASB published the "Contracts Concerning Electricity Produced from Natural Resources" amendment (related to TFRS 9 and TFRS 7) in December 2024. The amendment clarifies the application of the provisions regarding the "own use" exception and allows hedge accounting in cases where such contracts are used as a hedging instrument. The amendment also introduces new disclosure provisions to ensure that investors understand the impact of these contracts on the financial performance and cash flows of the enterprise. The impacts of the amendment on the financial position and performance of the Group are being evaluated.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

iv. New and revised Turkish Financial Reporting Standards (continued)

d) Amendments published by the International Accounting Standards Board (IASB) but not published by the POA (continued):

TFRS 18 – New Standard for Presentation and Disclosure in Financial Statements;

In April 2024, the IASB published TFRS 18, which replaces IAS 1. TFRS 18 introduces new requirements for the presentation of the profit or loss statement, including the presentation of certain totals and subtotals. TFRS 18 requires entities to present all income and expenses included in the profit or loss statement in one of five categories: operating activities, investing activities, financing activities, income taxes and discontinued operations. The standard also requires the disclosure of performance measures determined by the management and also introduces new provisions for the aggregation or separation of financial information in accordance with the roles defined for the primary financial statements and footnotes. With the publication of TFRS 18, certain changes have occurred in other financial reporting standards such as IAS 7, IAS 8 and IAS 34. The effects of these changes on the financial position and performance of the Group are being evaluated.

TFRS 19 – New Non-Publicly Accountable Subsidiaries: Disclosure Standard

In May 2024, the IASB issued TFRS 19, which provides certain entities with the option to provide reduced disclosures when applying the recognition, measurement and presentation requirements in TFRSs. Unless otherwise stated, entities in scope that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRSs. An entity that is a subsidiary, does not have public accountability and has a parent (intermediate or final) that prepares consolidated financial statements in accordance with TFRSs for public use may elect to apply TFRS 19. The effects of this amendment on the financial position and performance of the Group are being assessed.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

v. Summary of Significant Accounting Policies and Evaluation Methods

Financial instruments

Financial assets

Financial assets that are bought and sold in the regular way are recorded or removed at the transaction date. The Group classifies its financial assets as (a) The business model used by the entity to manage the financial assets, (b) Measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss, based on the characteristics of the contractual cash flows of the financial asset. When the entity changes only the business model used to manage the financial assets, it reclassifies all financial assets affected by this change. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustments are made for the gains, losses (including impairment gains or losses) or interests previously recognized in the financial statements.

Classification of financial assets

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

- the financial asset is held under a business model that aims to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that consist solely of payments of principal and interest on the principal amount outstanding on specified dates.

Financial assets that meet the following conditions are measured by reflecting the change in fair value through other comprehensive income:

- the financial asset is held under a business model that aims to collect the contractual cash flows and sell the financial asset; and
- the contractual terms of the financial asset give rise to cash flows that consist solely of payments of principal and interest on the principal amount outstanding on specified dates.

If a financial asset is not measured at amortised cost or FVOCI, it is measured at FVOCI.

At initial recognition, the Group may make an irrevocable choice to present subsequent changes in the fair value of an investment in an equity instrument not held for trading purposes in other comprehensive income.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

v. Summary of Significant Accounting Policies and Evaluation Methods (continued)

Financial instruments (continued)

Financial assets (continued)

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is recognized in profit or loss and shown under "finance income - interest income".

(ii) Financial assets classified as at FVTOCI

The fair value change of the bonds held by the Group is reflected in other comprehensive income. The fair value is determined as described in Note 2 (v). Bonds are first measured by adding transaction costs to their fair value. Then, in these private sector bonds, changes arising from exchange rate gains and losses, impairment gains or losses and interest income calculated using the effective interest method are recognized in profit or loss. The amounts recognized in profit or loss are the same as those that would be recognized in profit or loss if these bonds are measured at amortized cost.

All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

At initial recognition, the Group may make an irrevocable choice to present subsequent changes in the fair value of an investment in an equity instrument not held for trading purposes in other comprehensive income.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**v. Summary of Significant Accounting Policies and Evaluation Methods (continued)****Financial instruments (continued)****(iii) Equity instruments designated as at FVTOCI (continued)**

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'income from investing activities' line item (Note 31) in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for measurement over amortized costs or by reflecting fair value change to other comprehensive income are measured by reflecting fair value change to profit or loss.

Financial assets whose fair value change is reflected in profit or loss are measured at their fair values at the end of each period and all fair value changes are accounted in profit or loss unless the relevant financial assets are part of hedging transactions.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of Significant Accounting Policies and Evaluation Methods (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

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

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for debt instruments measured that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss;. Other exchange differences are recognised in other comprehensive income;
- for financial assets measured that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured, exchange differences are recognised in other comprehensive income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of Significant Accounting Policies and Evaluation Methods (continued)

Financial instruments (continued)

Financial assets (continued)

Measurement and recognition of expected credit losses (continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate (or credit based adjusted effective interest rate for financial assets with credit-value impairment when purchased or incurred).

Derecognition of financial assets

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

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

Financial liabilities

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

The entity classifies all of its financial liabilities, except for the liabilities below, at amortized cost in subsequent recognition.

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assesment methods (continued)

Financial instruments (continued)

Financial liabilities (continued)

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

The entity does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Detailed information on derivative financial instruments is given in Note 13.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Borrowing costs

Borrowing costs are recognized as expense. Borrowing costs related to qualifying assets are directly added to the cost of the asset directly associated.

The borrowing costs are no longer capitalized when all activities required to make the qualifying asset ready to use or sale in accordance with the purposes.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assesment methods (continued)

Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories comprises all costs incurred in bringing the inventories to their present location and condition. The components of the cost included in inventories are material, labor and overhead cost. Cost is determined by using the weighted moving average cost method for the raw material, supplies, semi finished products, finished products, merchandise and other inventories.

Real estates in inventories are held for getting sale revenue instead of getting rent or shareholding revenue. In addition to the aforementioned costs that are related to inventory, borrowing costs are included in inventory costs.

Real estates stated within the inventories are recognized at the lower of cost and net realizable value. However, the expertise value which constitutes the basis of fair value of real estates in inventories is compared with the adjusted acquisition costs, and in the case that the expertise value is lower than the adjusted value, provision is made for value decrease as per the conditions stated in the "Impairment of non- financial assets" section. Such impairment is determined and applied separately for each real estates.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives, Land is not depreciated as it is deemed to have an indefinite useful life.

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

Buildings	10-50 years
Land improvements	4-50 years
Machinery, plant and equipment	2-40 years
Motor vehicles	3-25 years
Furniture and fixtures	2-25 years
Leasehold improvements	2-19 years
Other property, plant and equipment	5 years

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset.

Repairs and maintenance are charged to the income statements during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assesment methods (continued)

Property, plant and equipment (continued)

Machinery and equipment are capitalised and amortised when their capacity is fully available for use and their physical situations meet the determined production capacities.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their restated carrying amounts and are included in the related income and expenses from investing activities accounts, as appropriate.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired seperately are carried at cost less accumulated impairment losses.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

The amortisation periods for intangible assets, which approximate the economic useful lives of such assets, are as follows:

Rights	2-32 years
Leasehold improvements	5-19 years

Intangible assets are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. Intangible assets with indefinite useful lives are not amortised, however are tested for impairment annually. Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount and the impairment loss is recognised as an expense.

Other intangible assets	5 years
-------------------------	---------

Derecognition of intangible assets

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**v. Summary of significant accounting policies and assesment methods (continued)****Impairment of property, plant and equipment and intangible assets other than goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value reflecting the market conditions. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property due to expiration of useful life or disposal is included in profit or loss in the period in which the property is derecognized.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assessment methods (continued)

Investment properties (continued)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Real estates leased under operating lease are not classified as investment property.

Leased assets and leasing liabilities

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured through deduction of accumulated depreciations and impairment losses from their cost values. In case of the financial lease payables are revalued, this figure is corrected as well.

The cost of the right-of-use asset includes:

- (a) initial measurement of lease liability,
- (b) lease payments made at or before the commencement date less any lease incentives received, and
- (c) all initial direct costs incurred by the Group.

At the end of the lease term of the underlying asset's service, the transfer of the Group is reasonably finalized, and the Group depreciates the asset until the end of the life of the underlying asset on which the lease actually began.

Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of unpaid lease payments to be made over the lease term.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences, consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the date the lease actually starts:

- (a) Fixed payments,
- (b) Variable lease payments that depend on an index or a rate,
- (c) Amounts expected to be paid under residual value guarantees
- (d) The exercise price of a purchase option reasonably certain to be exercised by the Group and
- (e) Payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**v. Summary of significant accounting policies and assessment methods (continued)****Leased assets and leasing liabilities (continued)****Lease liabilities (continued)**

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable, the Group determines the alternative borrowing interest rate at the date of the revaluation.

After the effective date of the lease, the Group measures the lease obligation as follows:

- (a) Increase the carrying amount to reflect the interest on the lease obligation, and
- (b) Decreases book value to reflect rental payments.

In addition, in the situation of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of low value assets. The lease contracts within this scope are accounted for in the profit or loss statement as expense according to the linear method during the lease period.

Effects of changes in exchange rates**Foreign exchange transactions and balances**

The individual financial statements of each Group entity are presented in TL which is the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TL, which is the functional currency of Alarko Holding A.Ş., and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assessment methods (continued)

Effects of changes in exchange rates (continued)

Foreign exchange transactions and balances (continued)

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings,
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Financial statements of subsidiaries, joint ventures and associates operated in foreign countries

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into TL using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Business combinations and goodwill

A business combination is evaluated as the bringing together of separate entities or businesses into one reporting entity.

Business combinations realised before 1 January 2011 have been accounted for by using the purchase method in the scope of TFRS 3 "Business combinations" prior to the amendment. Under this method, the cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree and in addition, any costs directly attributable to the business combination. If a business combination contract includes clauses that enable adjustments in the cost of business combination depending on events after the acquisition date; in case the adjustment is measurable and more probable than not, than cost of business combination at acquisition date is adjusted.

Any excess of the cost of acquisition over the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill in the consolidated financial statements.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**v. Summary of significant accounting policies and assessment methods (continued)****Business combinations and goodwill (continued)**

Goodwill recognised in business combinations is tested for impairment annually (as of 31 December) or more frequently if events or changes in circumstances indicate impairment, instead of amortisation. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Any excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for as income in the related period.

Related parties

Parties are considered related to the company (will be used as reporting entity in this standard) if;

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

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

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

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assessment methods (continued)

Related parties (continued)

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Board Members, General Manager and Assistant General Managers are stated as executive managers by the Group.

Income taxes

Turkish tax legislation does not permit a parent Group and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from the said differences by earning taxable profit in the future. The assets and liabilities in question are not recognized if they arise from the initial recognition of temporary differences, goodwill or other assets and liabilities related to transactions that do not affect commercial or financial profit/loss (other than business combinations). In accordance with the letter titled "Reporting Tax Amounts in Real Estate Investment Partnerships and Real Estate Investment Funds" sent to real estate investment trusts by the POA on February 12, 2025, the deferred tax liability arising from the legislative change in the financial statements dated December 31, 2024, the effect of 2023 and before is reflected in the profits or losses of previous years under equity, and the effect of 2024 is reflected in the profit or loss statement.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**v. Summary of significant accounting policies and assessment methods (continued)****Income taxes (continued)**Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity.

Employee benefitsDefined contribution plan

The Group has to compensate the Social Security Contribution of the employees. As long as this is compensated, there is no any other obligation for the Group. Social Security Contributions are classified as personnel expenses as of the accrual date.

Defined benefit plan

Under Turkish Labour Law Article 25/II, the Group is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive retirement pay liability is called up for military service, leaves within one year after marriage (women only), and to those employees who retire or die. The amount payable consists of one month's salary limited to a maximum of TL 41.828,42 for each period of service at 31 December 2024 (31 December 2023: TL 23.489,83(Full TL)).

Ceiling amount of TL 46.625,43(Full TL) which is in effect since 1 January 2025 is used in the calculation of retirement pay liability.

The Group has determined the retirement pay liability stated in the accompanying financial statements as per the recognition and valuation principles stated in TAS 19 "Employee Benefits". As the characteristics of the retirement pay liabilities are similar to the "Post Employment Benefit Plans" stated in this standard, these liabilities are calculated and stated in the financial statements on the basis of below mentioned "Proposed Unit Loan Method" and other various assumptions.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assessment methods (continued)

Employee benefits (continued)

The dates that the employees will gain their pension rights are determined with respect to the prevailing social security laws with consideration to their past employment durations.

In calculating the current value of future liabilities that may arise due to the retirement or contract termination of an employee, it is assumed that the current salaries and wages or, if higher than the value of the retirement pay liability upper limit determined by the Labour Law for 31 December 2024, the retirement pay liability upper limit, to remain constant for restatement purposes and this value is reduced by the actual discount rate of %28,57 (31 December 2023 - %27,47) calculated based upon the assumption that the expected annual interest rate will %25,00 (31 December 2023 - %24,82) and the expected inflation rate will be %2,85 (31 December 2023 - %2,12) which represents the proposed average interest rate per annum of the government bonds, in order to determine the current net value of the retirement pay liability at the balance sheet date.

Revenue

When the Group fulfills or fulfills its performance obligation by transferring a promised good or service to its customer, the revenue is recognized in the financial statements. An asset is transferred when (or when) control of an asset is transferred to the customer. The Group records the revenue in the financial statements in line with the following five basic principles:

- Determination of customer contracts,
- Determination of performance obligations in contracts,
- Determining the transaction price in the contracts,
- Allocating the transaction price to the performance obligations in the contracts,
- Recognition of revenue when each performance obligation is satisfied.

The Group recognizes a contract with a customer as revenue if all of the following conditions are met:

- The parties to the contract have approved the contract (written, verbal or in accordance with other commercial practices) and have committed to fulfill their own obligations,
- The Community can define the rights of each party regarding the goods or services to be transferred,
- The Group can define the payment terms for the goods or services to be transferred,
- The contract is commercial in nature,
- It is possible that the Group will collect a price for the goods or services to be transferred to the customer.

At the beginning of the contract, the Group evaluates the goods or services it has committed in the contract with the customer and defines each commitment given to the customer as a performance obligation.

The Group takes into account the contractual provisions and commercial practices in order to determine the transaction price. The transaction price is the price that the Group expects to be entitled to in return for the transfer of the promised goods or services to the customer, excluding the amounts collected on behalf of third parties (for example, some sales taxes). The promised consideration in a contract with a customer can include fixed amounts, variable amounts, or both.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assessment methods (continued)

Revenue (continued)

In case the price promised in the contract is a variable amount, the Group determines the amount that it will be entitled to collect in return for the transfer of the promised goods or services to the customer, by estimating. In order for the Group to include some or all of the estimated variable price in the transaction price, it must be highly probable that there will not be a significant cancellation in the amount of the cumulative revenue taken into the financial statements when the uncertainty regarding the variable price is eliminated later. While assessing whether it is highly probable that there will not be a significant reversal in the amount of the cumulative revenue recognized when the uncertainty regarding the variable price subsequently disappears, the Group considers both the probability and size of the said revenue reversal. The Group includes the revenue obtained from the following sources in its financial statements:

Service sales

When revenue from services can be measured reliably, it is recognized based on the degree of completion of the service. Where the result cannot be measured reliably, revenue is recognized by the recoverable amount of incurred expenses attributable to that revenue. The revenue arising from the sale and delivery of electricity is measured over the fair value of the amount of receivables delivered or to be delivered. The estimated value of the electricity supplied to all subscriber groups but not billed is taken into account in the measurement of revenue. Revenues are recorded on an accrual basis at the invoiced amounts at the time of electricity delivery.

Interest income

Interest income is accrued in the relevant period at the rate of the effective interest rate that reduces the remaining principal balance and the estimated cash inflows to be obtained from the related financial asset during its expected life to the book value of the said asset.

Dividend income

Dividend income from equity investments is recognized when the shareholders' right to receive dividends arises.

Construction contracts revenues

Because the outcome of construction contracts cannot be estimated reliably, contract costs are recognized in full in the period incurred, and contract revenue is recognized only to the extent that the incurred contract costs can be recovered. If there is an important financing element in the sales, the reasonable price is determined by discounting the future cash flows with the hidden interest rate included in the financing element. The difference is recognized in the consolidated financial statements on an accrual basis.

Earnings / (loss) per share

Earnings / (loss) per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Companies in Turkey can increase their share capital through distributing shares (bonus shares) from Prior years' income and differences arising from inflation adjustment in changes in equity to their current shareholders on a pro rata basis. When calculating profit/(loss) per share, these bonus shares are recognized as issued shares. Therefore, the weighted average of shares used in the calculation of profit / (loss) per share is derived through retroactive application with respect to bonus shares.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assessment methods (continued)

Events after the reporting period

The Group updates disclosures that relate to conditions that existed at the end of the reporting period to reflect any new information that is received after the reporting period about those conditions. Non-adjusting events should be disclosed if they are of material importance.

Non-current assets held for sale

The Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and does not depreciate a non-current asset while it is classified as held for sale. The Group measures assets held for sale at the lower of its carrying amount and fair value less costs to sell.

Provisions, contingent assets and liabilities

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Segment reportings

For the years ended 31 December 2024 and 2023, the principle activities of Alarko Group is classified in six sectors, namely, holding, tourism, agriculture, industry and merchandising, energy, contracting/land development.

Service concession agreements

TFRS Comment 12 addresses how the infrastructural investments made and services provided by the entities (operators) who have gained operating right for a defined period of time by signing public service concession agreements should be accounted for. TFRS Comment 12 expresses that the investments realized by operators related to projects deemed within the scope of the Comment are required to be accounted for as financial assets and/or intangible assets as per the terms of agreement and not as buildings, fixed assets, or properties.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assessment methods (continued)

Cash flow statement

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized in equity in the period in which they are declared.

Significant accounting estimates, assumptions and decisions

Preparation of consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The estimations and assumptions may differ from the actual results. Estimations and assumptions are reviewed periodically, adjusted if deemed necessary and reflected to the consolidated statement of profit or loss and other comprehensive income in the period they occurred.

Assumptions which might have a material effect on the amounts reflected in statement of financial position or might have a material effect in the future are summarized below:

- a) The Group's contracts related to contracting works are subject to assessment under Revenue from Contracts with Customers (TFRS 15). The revenue from the construction contracts is recognized in the consolidated financial statements as extended over time if the control of the asset is held by the customer over the construction process after the assessment performed. The Management considers that the method currently used in order to measure prospective development in terms of the complete fulfillment of its performance obligations is in accordance with TFRS 15.
- b) Group management have made significant assumptions on determining useful lives of tangible and intangible assets based on the experiences of the technical employees.
- c) Debtors credibilities, historical payment performances and restructuring conditions if there is debt restructuring is considered to determine the impairment of trade receivables factors.
- d) In order to measure expected loss provisions, the Group uses reasonable and confirmable prospective information based on assumptions on different economic conditions in the future and the possible effects of these conditions to each other. Probability of default is a significant input in the measurement of expected credit losses. Probability of default is an estimate of default in a fixed time; and its calculation includes prior data, assumptions and expectations of future conditions.
- e) The possibilities of losing the case and the liabilities that will arise if the case is lost is evaluated by the Group's legal counselor and by the management team taking into account expert opinions. The management determines the amount of the provisions based on the best estimate to calculate the legal case provisions.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Summary of significant accounting policies and assessment methods (continued)

- f) Discounted inventory price list is used to calculate inventory impairment. Where the sales price cannot be predicted, technical personnel's opinion and inventory waiting time is considered. If expected net realizable value is less than cost, the Company should allocate provisions for inventory impairment.
- g) Group performs impairment test for goodwill annually or if there is an indication of impairment often. Goodwill has been tested for impairment as of 31 December 2024 by comparing book value of the goodwill with recoverable amount. Recoverable amount has been determined by value in use method. Before tax free cash flows which is based on financial budgets approved by the board of directors has been used in the calculation of recoverable amount. Estimated cash flow growth after the five-year period is not provided. Data such as growth rate of the market, gross domestic income per capita and price index has been obtained from external sources. Assumptions regarding sales prices, operating capital necessities and property, plant and equipment investments has been determined using the Group's expectations and actual figures of prior periods.
- h) The Group's derivative financial instruments, comprise forward, options trading and interest rate swaps. Derivative financial instruments are initially recognized at fair value and subsequently fair value is calculated separately for each derivative financial instrument.
- i) The Group uses fair value method as an accounting policy in the recognition of investment properties. The fair values of investment properties are determined by independent valuation firms authorized by CMB. These firms and/or appraisers uses assumptions (such as real discount rates, market rents, market values, etc.) in the works they perform.
- i) The Group's property, plant and equipment and intangible assets are subject to impairment test when there are signs of impairment, in accordance with the accounting policies applied. There is an impairment risk on the assets of the Group's operating natural gas conversion plant due to the increase in natural gas costs, variable market conditions and falling profitability. Accordingly, an impairment analysis has been performed in relation with these assets in the consolidated financial statements as of the end of each year and machinery and plant valuations are made. In the scope of this analysis, the difference between estimated recoverable amount and the value of assets relative to records is considered as impairment when it is negative. If the difference is positive, the previously recorded impairment loss is canceled at this difference amount. The increased book value of an asset due to the cancellation of the impairment loss cannot exceed the book value it would have reached if the impairment loss had not been accounted for the asset in previous periods. The estimated recoverable amount calculation includes basic assumptions such as future production levels and commodity prices, and economic assumptions such as discount rate, inflation rate and exchange rate in the estimation and discounting of future cash flows. In addition, the reports of Independent Valuation Firms contain estimates and assumptions.
- j) The Group only takes into account the previous year losses that can be deducted in determining the tax base within the 5-year legal period in the calculation of deferred tax. In this context, whether the losses can be used or not is evaluated within the framework of the prepared budget and projections. The preparation of the budget and projections is based on many assumptions regarding the future, such as market conditions, weather conditions, inflation rates and foreign currency changes.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS

The business combinations realized within the accounting period of 1 January – 31 December 2024 are as follows:

Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries; acquired all 1,650 shares (100%) of Seraf Tarım ve Hayvancılık Anonim Şirketi, which operates in the agricultural sector, with a nominal value of TL 16,500 for a price of USD 500 Turkish Lira as of August 6, 2024.

Since the studies to determine the fair values of the identifiable assets and acquired liabilities related to this acquisition are ongoing, the acquisition transaction was temporarily accounted for as of December 31, 2024. According to TFRS 3 "Business Combinations", the acquisition transaction, which is temporarily accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	49
Trade receivables	31
Other current assets	96
Property, plant and equipments	15.027
Deferred taxes	623
Trade payables	(152)
Other payables	(10)
Fair value (TL)	15.664
Purchase price	16.699
Monetary gain/(loss)	1.575
Less : Fair value of net assets acquired	(15.664)
Goodwill, 31 December 2024	2.610

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

In accordance with the decision of the Board of Directors of Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş., one of the Subsidiaries, dated September 24, 2024; it was decided to participate in the capital increase with emission premium, which will increase the capital of Camser Tarım Gıda Anonim Şirketi, which operates in the field of agriculture and greenhouse farming, from TL 3,416 to TL 7,000, to acquire 3,570 shares with a nominal value of TL 3,570, corresponding to 51% of the company's total capital, to be issued with the capital increase, for a total price of TL 30,000, including an emission premium of TL 26,430, and to sign a participation agreement and shareholders' agreement in this regard.

Since the studies to determine the fair values of the identifiable assets and acquired liabilities related to this acquisition are ongoing, the acquisition transaction was temporarily accounted for as of December 31, 2024. According to TFRS 3 "Business Combinations", the acquisition transaction, which is temporarily accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	29.384
Trade receivables	4.670
Other receivables	6.829
Inventories	4.460
Prepaid expenses	920
Other current assets	2.257
Property, plant and equipments	56.800
Intangible assets	11
Short term liabilities	(11.709)
Trade payables	(1.167)
Other payables	(17.922)
Long-term liabilities	(5.651)
Deferred tax asset	(9.418)
Fair value of net assets	59.464
Purchase price	30.000
Monetary gain/(loss)	1.881
Ownership rate	%51
Less : Fair value of net assets acquired	(30.327)
Goodwill, 31 December 2024	1.554

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

It was announced to the public on March 26, 2024 by Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries; that Beybur Tarım ve Hayvancılık Anonim Şirketi ("Beybur Tarım"), operating in the field of agriculture, has decided to increase its capital from TL 50 to TL 300.000 and that it has decided to participate in the said capital increase, to cover the capital amount of TL 299.950 committed within this scope from Alarko Tarım's cash receivables from Beybur Tarım and to acquire 299.950.000 shares with a nominal value of TL 299.950, which will be issued with the capital increase and correspond to 99.98% of the company's total capital, by Alarko Tarım. In accordance with the new decision of Alarko Tarım Board of Directors dated April 8, 2024 regarding the acquisition of the financial fixed assets in question, it has been decided that before participating in the capital increase, 50.000 shares corresponding to 100% of Beybur Tarım's current capital of TL 50 will be acquired for TL 50; after the share transfer, Beybur Tarım will participate in the capital increase planned to increase its capital from TL 50 to TL 300.000; within this scope, the committed capital of TL 299.950 will be covered from Alarko Tarım's cash receivables from Beybur Tarım; and 299.950.000 shares with a nominal value of TL 299.950 to be issued with the capital increase will be acquired by Alarko Tarım.

Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction has been provisionally accounted for as of December 31, 2024. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	6.110
Other current assets	1.530
Property, plant and equipments	372.879
Trade payables	(20.949)
Other payables	(15.235)
Deferred tax liabilities	(1.092)
Fair value of net assets	343.243
Purchase price	300.000
Monetary gain/ (loss)	52.946
Less : Fair value of net assets acquired	(343.243)
Goodwill, 31 December 2024	9.703

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

It was announced to the public on December 14, 2023, that a preliminary protocol was signed by Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries, for the acquisition of a company operating in the agriculture and greenhouse farming sectors. Considering the financing need of İpeks Jeotermal Enerji Tarım Sanayi Ticaret Anonim Şirketi ("İpeks Jeotermal"), which is the subject of the preliminary protocol, due to its planned greenhouse construction investment of approximately 182.000 m²; It was decided on May 27, 2024 to participate in the capital increase with emission premium, in which İpeks Jeotermal plans to increase its capital from TL 1.500 to TL 3.000, to acquire 1.470 shares with a nominal value of TL 1.470, corresponding to 49% of İpeks Jeotermal's total capital, for a total price of TL 298.470, including an emission premium of TL 297.000, to terminate the preliminary protocol and to sign a participation agreement and shareholders' agreement in this regard between Alarko Tarım Sanayi ve Ticaret A.Ş. and the current shareholder Lokman Aydemir.

Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction has been provisionally accounted for as of December 31, 2024. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	353.402
Other receivables	373
Prepaid expenses	493
Other current assets	198
Property, plant and equipments	596.616
Intangible assets	120
Trade payables	(724)
Other payables	(119.007)
Deferred tax liabilities	(144.544)
Fair value of net assets	686.927
Purchase price	298.470
Monetary gain/ (loss)	47.005
Ownership rate	49%
Less : Fair value of net assets acquired	(336.594)
Goodwill, 31 December 2024	8.881

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries, has taken over all (100%) of the 15.050.000 shares with a nominal value of TL 15.050 of Nata Tarım Üretim ve Ticaret Anonim Şirketi, whose main activity is greenhouse farming based on geothermal energy, for the Turkish Lira equivalent of USD 20.285 as of May 7, 2024.

Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction has been provisionally accounted for as of December 31, 2024. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	7.018
Trade receivables	7.311
Other receivables	116
Inventories	27.708
Prepaid expenses	33.942
Other current assets	14.389
Property, plant and equipments	584.698
Intangible fixed assets	194.539
Short term liabilities	(209)
Trade payables	(151.180)
Other payables	(2.465)
Long term liabilities	(107.018)
Deferred tax liabilities	(43.925)
Fair value of net assets	564.924
Purchase price	654.597
Monetary gain/ (loss)	115.523
Less : Fair value of net assets acquired	(564.924)
Goodwill, 31 December 2024	205.196

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

It was announced to the public on January 8, 2024 that the share transfer agreement was signed by Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries, for the purchase of 600 shares with a nominal value of TL 15, corresponding to 25% of the total capital of Sanrose Tarım Sanayi Ticaret Anonim Şirketi, whose main activity is agriculture and greenhouse farming, for a price equivalent to USD 5.000 in TL, provided that the specified closing conditions are met, and that in accordance with the share transfer agreement, the share transfer price will be subject to certain adjustments on the closing date and the final transfer price will be announced when it is finalized. As a result of the adjustments made in accordance with the share transfer agreement, it was decided that the final transfer price would be determined as TL equivalent to USD 4.645, and that the TL equivalent of USD 1.500 paid as advance payment would be deducted from the final transfer price. In this regard, 600 shares with a nominal value of 15 TL, corresponding to 25% of the total capital of Sanrose Tarım Sanayi Ticaret Anonim Şirketi, were taken over as of January 15, 2024.

Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction has been provisionally accounted for as of December 31, 2024. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	1.393
Trade receivables	3.178
Other receivables	10.201
Inventories	6.653
Prepaid expenses	205
Other current assets	2.415
Property, plant and equipments	143.741
Intangible assets	12
Short term liabilities	(2.084)
Trade payables	(4.587)
Other payables	(14.364)
Long-term liabilities	(4.369)
Deferred tax asset	(13.183)
Fair value of net assets	129.211
Purchase price	139.682
Monetary gain/ (loss)	49.320
Ownership rate	25%
Less : Fair value of net assets acquired	(32.304)
Goodwill, 31 December 2024	156.698

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries; purchased all of the 17.425.000 shares (100%) of Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, which operates in greenhouse farming based on geothermal energy, with a nominal value of TL 17.425 for TL 76.407 as of March 16, 2023. Since the studies to determine the fair values of the identifiable assets and acquired liabilities related to this acquisition are ongoing, the acquisition transaction was temporarily accounted for as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which was temporarily accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	5
Other receivables	319
Prepaid expenses	419
Property, plant and equipments	172.866
Intangible assets	2.112
Deferred tax asset	(28.155)
Fair value of net assets	147.566
Purchase price	76.407
Monetary gain/ (loss)	85.135
Less : Fair value of net assets acquired	(147.566)
Goodwill, 31 December 2023	13.976

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

In the Board of Directors meeting of Alarko Tarım Sanayi ve Ticaret A.Ş., one of the subsidiaries, dated May 8, 2023; it was decided to participate in the capital increase with emission premium, which will increase the capital of Palmira Agro Gübre Sanayi ve Ticaret A.Ş., which operates in the field of micro granule fertilizer production and has 1.500.000 shares with a nominal value of 0,001 TL each, from 1.500 TL to 7.500 TL, to acquire 6.000.000 shares with a nominal value of 6.000 TL, corresponding to 80% of the company's total capital, to be issued with the capital increase, for a total price of 60.000 TL, including an emission premium of 54.000 TL, and to sign a participation agreement and shareholders' agreement in this regard. Due to ongoing studies to determine the fair values of identifiable assets and liabilities acquired in relation to this acquisition, the acquisition transaction has been provisionally accounted for as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, 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 acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	5.234
Trade receivables	35.636
Inventories	17.157
Prepaid expenses	103.802
Other current assets	1.177
Property, plant and equipments	3.279
Intangible assets	21
Deferred tax asset	372
Short term liabilities	(11.460)
Trade payables	(21.448)
Other payables	(125)
Current income tax liabilities	(2.438)
Long term liabilities	(6.522)
Fair value of net assets	124.685
Purchase price	60.000
Monetary gain/ (loss)	59.173
Ownership rate	%80
Less : Fair value of net assets acquired	(99.745)
Goodwill, 31 December 2023	19.428

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries, has decided to purchase all 20 shares (100%) of Antsan Tarım Sanayi ve Ticaret Anonim Şirketi, which operates in greenhouse farming based on geothermal energy, with a nominal value of TL 1.000, for the Turkish Lira equivalent of USD 1.780, as of May 16, 2023. Since studies are ongoing to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition, the acquisition transaction has been provisionally accounted for as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, must be corrected 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 acquired and liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	16
Trade receivables	8.108
Other receivables	431
Inventories	2.737
Prepaid expenses	10.721
Other current assets	4.456
Property, plant and equipments	110.505
Shrot term liabilities	(6.242)
Trade payables	(68.769)
Other payables	(656)
Long-term liabilities	(37.454)
Deferred tax liabilities	(5.233)
Fair value of net assets	18.620
Purchase price	37.357
Monetary gain/ (loss)	36.842
Less : Fair value of net assets acquired	(18.620)
Goodwill, 31 December 2023	55.579

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

It was announced to the public on March 3, 2023 that the subsidiary Alarko Tarım Sanayi ve Ticaret Anonim Şirketi decided to purchase 400.000 shares with a nominal value of 400 TL, corresponding to 40% of the shares of Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret Anonim Şirketi, for a price of TL 75.468. In the meeting of the Board of Directors dated 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 TL 9.830 equivalent to Turkish Lira and to set off the advance fee of TL 75.468 previously paid for the purchase of the share with a nominal value of 400 TL, from the determined share purchase price, and the said share transfer transaction was carried out on the same date. Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction has been provisionally accounted for as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair Value (TL)
Cash and cash equivalents	13.358
Trade receivables	8.157
Other receivables	2.676
Prepaid expenses	92.160
Other current assets	6.595
Property, plant and equipments	476.749
Intangible assets	8
Trade payables	(169.464)
Other payables	(14.250)
Deferred tax liabilities	(95.738)
Fair value of net assets	320.251
Purchase price	256.416
Monetary gain/ (loss)	150.648
Less : Fair value of net assets acquired	(320.251)
Goodwill, 31 December 2023	86.813

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

It was announced to the public on July 14, 2023 that a preliminary protocol was signed between the subsidiaries Alarko Tarım Sanayi ve Ticaret Anonim Şirketi and Halil Pekdemir Çiftliği Gıda ve İhtiyaç Maddeleri Ticaret ve Sanayi Limited Şirketi for the transfer of the shares of the new company to be established through the partial division of Halil Pekdemir Çiftliği Gıda ve İhtiyaç Maddeleri Ticaret ve Sanayi Limited Şirketi ("Pekdemir") to Alarko Tarım Sanayi ve Ticaret A.Ş. The Share Transfer Agreement regarding the purchase of all (100%) of the shares of Alden Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi established through the partial division of Pekdemir for a price of 12.270 US Dollars equivalent in Turkish Lira and the deduction of the previously paid advance price of 2.000 US Dollars equivalent in Turkish Lira from the determined share purchase price was signed on August 4, 2023 and the said share transfer transaction was carried out on the same date. Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction has been provisionally accounted for as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	123
Trade receivables	2.214
Other receivables	79
Inventories	25.371
Prepaid expenses	92.995
Other current assets	1.660
Property, plant and equipments	475.611
Trade payables	(119.957)
Other payables	(3.198)
Deferred tax liabilities	(110.390)
Fair value of net assets	364.508
Purchase price	331.551
Monetary gain/ (loss)	194.791
Less : Fair value of net assets acquired	(364.508)
Goodwill, 31 December 2023	161.834

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries, acquired all (100%) of the 62.124.000 shares with a nominal value of TL 62.124 of Ereğli Agrosan Doğal Ürünler ve Türevleri Tarım Üretim ve Ticaret Anonim Şirketi, whose main activity is the production of dried powder and piece fruit and vegetable, for a consideration of TL 36.401 as of August 31, 2023. Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction has been accounted for provisionally as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction accounted for provisionally must be adjusted within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets purchased and the liabilities transferred, and accordingly in the recorded amount of goodwill. As of December 18, 2023, the company name of Ereğli Agrosan Doğal Ürünler ve Türevleri Tarım Üretim ve Ticaret A.Ş. has been registered as Alarko Gıda Sanayi ve Ticaret A.Ş.

	Fair value (TL)
Cash and cash equivalents	1.021
Trade receivables	5.647
Other receivables	60
Prepaid expenses	19.921
Other current assets	9.406
Property, plant and equipments	97.843
Intangible assets	454
Short term liabilities	(3.307)
Trade payables	(58.305)
Other payables	(1.374)
Long term liabilities	(3.781)
Deferred tax liabilities	(11.030)
Fair value of net assets	56.555
Purchase price	36.401
Monetary gain/ (loss)	21.390
Less : Fair value of net assets acquired	(56.555)
Goodwill, 31 December 2023	1.236

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret A.Ş., one of the subsidiaries, acquired all 50.000.000 shares (100%) of Altes Seracılık Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, whose main activity is greenhouse farming, with a nominal value of 50.000 TL for a consideration of 50.000 TL as of October 12, 2023. Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction was accounted for temporarily as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which was accounted for temporarily, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	619
Trade receivables	5.751
Other receivables	1.778
Inventories	55
Prepaid expenses	107.068
Other current assets	10.916
Property, plant and equipments	154.878
Deferred tax assets	34.915
Trade payables	(334.454)
Other payables	(842)
Fair value of net assets	(19.316)
Purchase price	50.000
Monetary gain/ (loss)	26.740
Less : Fair value of net assets acquired	19.316
Goodwill, 31 December 2023	96.056

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the subsidiaries; acquired all 77.711.864 shares (100%) of Alziraat Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, whose main activity is agriculture and greenhouse farming, with a nominal value of TL 777 for TL 69.416 as of October 13, 2023. Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction was accounted for temporarily as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which was accounted for temporarily, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	47
Prepaid expenses	1.535
Other current assets	1.714
Property, plant and equipments	125.383
Trade payables	(73.722)
Other payables	(1)
Deferred tax liabilities	(11.397)
Fair value of net assets	43.559
Purchase price	69.416
Monetary gain/ (loss)	37.126
Less : Fair value of net assets acquired	(43.559)
Goodwill, 31 December 2023	62.983

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

3. BUSINESS COMBINATIONS (CONTINUED)

It was announced to the public on September 13, 2023 that the share transfer agreement was signed by the subsidiary Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, which provides for the purchase of 80.000 shares with a nominal value of TL 80, corresponding to 80% of the total capital of Genseed Tohum Islah ve Üretim Anonim Şirketi, for a price equivalent to USD 3.720, provided that the specified closing conditions are met. According to the share transfer agreement, the share transfer price will be subject to certain adjustments on the closing date and the final transfer price will be announced when it is finalized.

As a result of the negotiations and corrections made between the parties, it was decided that the final transfer price would be determined as the equivalent of 4.278 US Dollars in TL and that the amount of 1.000 US Dollars in TL paid as advance would be offset from the final transfer price. Accordingly, 80.000 shares with a nominal value of 80 TL, corresponding to 80% of the total capital of Genseed Tohum Islah ve Üretim A.Ş., were taken over as of October 27, 2023.

Since the studies to determine the fair values of the identifiable assets and liabilities acquired in relation to this acquisition are ongoing, the acquisition transaction has been provisionally accounted for as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction, which is provisionally accounted for, must be corrected within 12 months following the merger date. As a result of the final accounting of the acquisition transaction, it is possible that there will be adjustments in the recorded fair values of the identifiable assets acquired and the liabilities acquired, and accordingly, in the recorded amount of goodwill.

	Fair value (TL)
Cash and cash equivalents	256
Other receivables	123
Inventories	676
Other current assets	1.168
Property, plant and equipments	144.865
Trade payables	(31.458)
Other payables	(407)
Long term liabilities	(21.296)
Deferred tax liabilities	(1.075)
Fair value of net assets	92.852
Purchase price	120.213
Monetary gain/ (loss)	64.291
Ownership rate	80%
Less : Fair value of net assets acquired	(74.283)
Goodwill, 31 December 2023	110.221

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

4. SEGMENT REPORTING

The Group, its subsidiaries, joint ventures and affiliates include companies operating in the fields of contracting, construction, land development, industry, trade, agriculture, tourism, energy, aviation and information technologies. Alyat Teknoloji Yatırımları Holding A.Ş., Alser Alarko Sermaye Yatırımları Holding A.Ş. and Alarko Dijital Teknoloji Çözümleri A.Ş., Sanayi ve Ticaret are included in the Holding section, and Alarko Havacılık Endüstri Yatırımları A.Ş. and Alfor Aviation and Technical Services Ltd. are included in the Industry and Trade section. These areas of activity are taken as basis when preparing reports by section.

As of 31 December 2024, segment reporting is as follows (TL):

Assets	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination and classification	Total
Current assets								
Cash and cash equivalents	48.987	424.089	206.314	1.990.003	2.863.452	3.203.629	-	8.736.474
Financial investments	1.822.199	212.671	-	1.887.315	857.695	-	-	4.779.880
Trade receivables	124.197	14.205	4.003	11.226	5.667.104	3.381.931	(7.324.334)	1.878.332
Other receivables	25.383	12	6	4.222.512	246.208	57.135	(4.479.608)	71.648
Assets arising from customer contracts	-	-	-	-	24.647	-	-	24.647
Inventories	16.524	21.845	9.194	39.024	441.404	901.864	(16.014)	1.413.841
Prepaid expenses	1.928	50.943	2.027	4.953	507.828	595.198	-	1.162.877
Current income tax assets	905	8.204	2.360	21.790	67.811	5.453	-	106.523
Other current assets	167.173	42.330	8.900	260.566	234.426	542.960	-	1.256.355
Non-current assets held for sale	-	176	-	-	8.865	358	(165)	9.234
Non-current assets								
Financial investments	12.645.572	505	370.325	4.477.644	3.793.001	4.857.832	(22.116.183)	4.028.696
Trade receivables	-	-	-	-	165	-	-	165
Other receivables	548	986	-	23	187.990	2.530	-	192.077
Investments accounted for by equity method	4.954.047	-	1.080.173	41.153.248	4.229.263	534.478	(8.898.487)	43.052.722
Investment properties	843.430	-	9.752	1.222.481	16.332.258	-	(12.335.077)	6.072.844
Property, plant and equipment	20.235	798.731	192.173	2.000.842	796.071	6.086.382	4.952.587	14.847.021
Right of use assets	9.455	2.310.004	4.261	68.327	85.470	13.019	(1.632.057)	858.479
Intangible assets	2.861	6.017	-	539.100	68.043	106.147	755.282	1.477.450
Prepaid expenses	96	2.206	-	100	179.906	1.339.676	-	1.521.984
Deferred tax asset	44.831	-	12.046	353.068	1.832.835	171.376	(89.856)	2.324.300
Other non-current assets	-	575	-	-	120.930	-	-	121.505
Total assets	20.728.371	3.893.499	1.901.534	58.252.222	38.545.372	21.799.968	(51.183.912)	93.937.054

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

4. SEGMENT REPORTING (CONTINUED)

As of 31 December 2024, segment reporting is as follows (TL) :

Liabilities	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination and classification	Total
Current liabilities	6.335	2.275	1.919	10.117	3.713.544	3.701.439	-	7.435.629
Short-term financial liabilities	-	-	-	-	470.246	-	-	470.246
Trade payables	24.538	342.896	14.940	907.955	5.005.005	7.344.810	(11.094.359)	2.545.785
Payables related to employee benefits	10.919	15.947	483	2.389	31.132	41.745	-	102.615
Other payables	586.992	4.755	30	6.746.448	359.636	175.487	(710.453)	7.162.895
Liabilities arising from customer contracts	-	5.855	-	-	441.560	-	-	447.415
Deferred income (Except for obligations arising from customer contracts)	-	80.434	452	-	313.662	4.310	-	398.858
Current income tax liabilities	-	-	36	22.962	337.022	17.774	-	377.794
Short-term provisions	-	-	-	37.699	44.680	250	-	82.629
Other current liabilities	3.133.456	-	867	861.844	-	375.239	(4.361.907)	9.499
Non-current liabilities	2.177	2.344.002	2.123	30.253	1.891.467	5.752.678	(2.298.795)	7.722.905
Long-term financial liabilities	-	-	-	-	649.512	-	74.752	724.264
Other payables	-	582	-	-	-	-	-	582
Liabilities arising from customer contracts	-	-	-	-	28.900	-	-	28.900
Investments accounted for by equity method liabilities	-	-	-	-	313.342	-	-	313.342
Deferred income (excluding obligations arising from customer contracts)	-	-	-	-	36.553	11.952	-	142.313
Long-term provisions	23.304	62.638	47	7.919	2.978.523	-	(2.052.081)	1.268.803
Deferred tax liabilities	164.152	18.885	-	129.686	-	29.638	-	-
Equity	2.595.000	21.500	683.061	578.975	4.341.070	2.383.568	(10.168.174)	435.000
Paid-in share capital	6.661.974	178.267.171	99.189	2.724.194	3.029.396	1.563.820	(8.589.164)	5.736.580
Inflation adjustment on capital	-	-	-	-	-	224	(224)	-
Capital advance	-	-	-	-	(164.494)	-	133.625	1.141.430
Repurchased shares (-)	1.110.561	-	-	-	-	-	(1.536)	1.536
Cross shareholding adjustment	-	-	-	-	-	-	(80.430)	-
Premiums/discounts on shares	-	-	-	-	-	-	(425.944)	(425.944)
The effect of mergers involving undertakings or businesses under common control	-	-	-	-	-	-	(53.394)	(53.394)
Share-based payment	-	-	-	-	-	-	759	(83.949)
Gain / (loss) on remeasurement of defined benefit plans	(5.193)	(21.461)	(29.613)	(23.131)	(11.851)	(3.459)	(139.692)	3.304.520
Foreign currency translation differences	-	-	20.670	-	3.423.444	98	-	-
Gains / (losses) from financial assets at fair value through other comprehensive income	5.124.951	-	1.377	-	1.684.201	-	(6.810.529)	-
Restricted reserves	1.526.215	69.101	6.337	593.832	521.644	8.475	(1.201.134)	1.524.470
Dividend advances paid (-)	-	-	-	(3.508.685)	-	-	3.508.685	-
Retained earnings or accumulated losses	552.228	207.749	978.576	39.380.722	9.029.740	536.543	(1.662.608)	49.022.950
Net profit or loss for the period	1.451.884	471.170	121.040	9.749.043	77.438	(224.953)	(9.888.352)	1.757.270
Non-controlling interest	-	-	-	-	-	-	4.638.043	4.638.043
Total liabilities	20.728.371	3.893.499	1.901.534	58.252.222	38.545.372	21.799.968	(51.183.912)	93.937.054

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

4. SEGMENT REPORTING (CONTINUED)

As of 31 December 2024, 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)	215,564	1,924,077	10,343	430,599	4,017,608	1,013,566	(13,482)	7,598,275
Revenue (Within the Group)	353,990	-	-	6,803	532,435	48,687	(941,915)	-
Cost of sales (Outside the Group) (-)	(181,859)	(1,116,217)	(10,213)	(359,048)	(4,526,729)	(1,006,665)	(73,191)	(7,273,922)
Cost of sales (Within the Group) (-)	(372,286)	(237,038)	(7)	(7,716)	(93,229)	(47,437)	757,713	-
Gross profit / (loss)	15,409	570,822	123	70,638	(69,915)	8,151	(270,875)	324,353
General administrative expenses (-)	(273,596)	(332,517)	(27,607)	(105,965)	(652,286)	(390,260)	(77,390)	(1,859,621)
Marketing expenses (-)	-	(131,995)	(5,007)	-	-	(76,129)	5,487	(207,644)
Research and development expenses (-)	-	-	-	-	-	(24,732)	-	(24,732)
Other income from operating activities	246,816	111,527	20,027	924,984	1,022,148	448,077	(87,597)	2,685,982
Other expense from operating activities (-)	(25,094)	(50,598)	(3,461)	(120,545)	(599,378)	(449,053)	206,514	(1,041,615)
Operating profit / (loss)	(36,465)	167,239	(15,925)	769,112	(299,431)	(483,946)	(223,861)	(123,277)
Income from investing activities	2,238,508	6,189	3,523	6,167,058	1,980,788	167,851	(6,747,940)	3,815,977
Expenses from investing activities (-)	-	(4,396)	-	(140)	(40,909)	(665)	120	(45,990)
Share of profits/(losses) of investments accounted by equity method	-	-	173,549	4,300,566	239,047	(27,758)	1,796,566	2,888,838
Operating profit/ (loss) before financial income / (expense)	2,202,043	169,032	161,147	11,236,596	1,879,495	(344,518)	(8,768,247)	6,535,548
Financial income	38,054	180,886	7,207	2,638,330	126,271	1,090,016	(3,158,519)	922,245
Financial expenses (-)	(1,112,490)	(454,215)	(10,089)	(3,128,835)	(853,336)	(2,915,342)	4,952,176	(3,522,131)
Monetary (loss)/gain (Net)	227,583	768,115	(46,080)	(587,822)	(818,805)	1,919,595	(2,677,465)	(1,214,879)
Profit / (loss) before tax from continued operations	1,355,190	663,818	112,185	10,158,269	333,625	(250,249)	(9,652,055)	2,720,783
Tax (expense) / income for the period	-	(57,609)	-	(86,664)	(337,302)	(18,119)	15,235	(484,459)
Deferred tax (expense) / income	96,694	(135,039)	8,855	(322,562)	81,115	43,415	83,722	(143,800)
Tax (expense) / income from continued operations	96,694	(192,648)	8,855	(409,226)	(256,187)	25,296	98,957	(628,259)
Net profit / (loss) from continued operations	1,451,884	471,170	121,040	9,749,043	77,438	(224,953)	(9,553,098)	2,092,524
Net income / (loss) for the period	1,451,884	471,170	121,040	9,749,043	77,438	(224,953)	(9,553,098)	2,092,524
Other comprehensive income not to be reclassified to profit or loss	(898)	18,315	-	(850)	8,886	(4,612)	-	20,851
Gain / (loss) on remeasurement of defined benefit plans	-	-	2,305	(3,062)	(11)	(180)	-	(948)
Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit or loss	-	-	(576)	1,021	(1,871)	1,198	-	(4,298)
Deferred tax income for other comprehensive income not to be reclassified to profit or loss	286	(4,356)	-	-	-	-	-	-
Other comprehensive income to be reclassified to profit or loss	-	-	-	-	824,907	97	-	825,004
Foreign currency translation differences	-	-	-	-	-	-	-	-
Other comprehensive income/(expense) for financial assets at fair value difference is through other comprehensive income	-	-	-	-	5,952	-	-	5,952
Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss	-	-	-	-	(396,573)	-	-	(396,573)
Total comprehensive income/ (expense)	1,451,282	485,129	122,769	9,746,152	518,728	(228,450)	(9,553,098)	2,542,512
Distribution of profit / (loss) for the period	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	335,254	335,254
Parent company shares	1,451,884	471,170	121,040	9,749,043	77,438	(224,953)	(9,888,352)	1,757,270
Distribution of total comprehensive income/ (expense)	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	341,128	341,128
Parent company shares	1,451,282	485,129	122,769	9,746,152	518,728	(228,450)	(9,894,226)	2,201,384

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

4. SEGMENT REPORTING (CONTINUED)

As of 31 December 2023, segment reporting is as follows (TL) :

Assets	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination and classification	Total
Current assets								
Cash and cash equivalents	175.008	822.832	130.596	2.572.789	903.250	122.294	-	4.726.769
Financial investments	1.747.914	142.941	-	5.926.189	1.499.522	-	-	9.316.566
Trade receivables	89.621	11.296	382	348.665	10.172.098	1.591.908	(7.985.338)	4.228.632
Other receivables	34.443	12	-	3.003.412	344.717	12.525	(3.366.164)	28.945
Assets arising from customer contracts	-	175	-	-	529.613	-	-	529.788
Inventories	128	21.053	2.628	38.827	1.349.831	183.318	(1.757)	1.594.028
Prepaid expenses	6.618	28.045	23	6.201	884.359	259.820	-	1.185.066
Current income tax assets	25.901	1.751	-	30	86.200	2.080	-	115.962
Other current assets	67.376	57.953	1.529	127.768	546.186	125.761	-	926.573
Non-current assets held for sale	-	176	-	-	39.739	-	(17.383)	22.532
Non-current assets								
Financial investments	11.088.068	696	13.196	3.044.269	4.532.477	3.333.747	(19.477.328)	2.535.125
Trade receivables	-	-	-	-	212	-	-	212
Other receivables	164	1.004	-	14	135.223	3.394	-	139.799
Investments accounted for by equity method	6.943.103	-	904.895	39.074.427	4.747.469	-	(10.359.443)	41.310.451
Investment properties	793.809	-	9.356	352.667	14.249.718	-	(11.221.252)	4.184.298
Property, plant and equipment	21.089	663.203	-	2.232.963	1.006.659	2.055.334	3.522.701	9.501.949
Right of use assets	10.614	2.344.994	-	54.132	89.358	18.800	(1.666.522)	851.376
Intangible assets	1.024	5.022	-	553.392	114.331	42.356	649.796	1.365.921
Prepaid expenses	377	3.453	-	105	40.662	770.584	-	815.181
Deferred tax asset	18.385	117.177	4.481	544.634	1.454.863	98.549	(100.463)	2.137.626
Other non-current assets	-	807	-	-	184.039	-	-	184.846
Total assets	21.023.642	4.222.590	1.067.086	57.880.484	42.910.526	8.620.470	(50.023.153)	85.701.645

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

4. SEGMENT REPORTING (CONTINUED)

As of 31 December 2023, segment reporting is as follows (TL) :

Liabilities	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination and classification	Total
Current liabilities								
Short-term financial liabilities	6.566	1.992	-	7.570	4.440.409	2.701.259	-	7.157.796
Short-term portion of long-term financial liabilities	-	-	-	-	228.658	-	-	228.658
Trade payables	14.163	460.643	1.566	33.387	8.487.649	2.011.033	(8.201.591)	2.806.850
Payables related to employee benefits	9.015	19.761	258	3.989	62.461	26.410	-	121.794
Other payables	2.562.563	2.628	27	6.240.655	695.360	80.119	(3.150.533)	6.430.819
Liabilities arising from customer contracts	-	16.712	-	-	1.107.952	-	-	1.124.664
Derivative instruments	-	-	-	7.657	-	-	-	7.657
Deferred income (Except for obligations arising from customer contracts)	-	105.796	36	-	751.495	2.823	-	860.150
Current income tax liabilities	329	-	3.196	113.549	86.006	1.217	-	204.297
Short-term provisions	-	-	-	40.807	24.588	-	-	65.395
Other current liabilities	1.227.222	129	-	5.156.274	3.558	145.427	(6.532.602)	8
Non-current liabilities								
Long-term financial liabilities	982	2.836.399	-	26.481	708.701	57.016	(2.804.080)	825.499
Other payables	-	-	-	-	845.951	-	-	845.951
Liabilities arising from customer contracts	-	604	-	-	206.467	-	-	207.071
Investments accounted for by equity method liabilities	-	-	-	-	40.275	-	-	40.275
Deferred income (Except for obligations arising from customer contracts)	-	-	-	-	492.791	-	-	492.791
Long-term provisions	13.830	71.490	-	6.021	78.799	480	-	170.620
Deferred tax liabilities	235.072	-	1.290	5.382	208.735	1.538	208.697	660.714
Equity								
Paid-in share capital	1.199.009	21.500	19.721	578.975	402.262	1.582.694	(3.369.161)	435.000
Inflation adjustment on capital	6.559.519	267.170	98.254	2.729.829	4.535.355	1.288.893	(9.742.440)	5.736.580
Capital advance	-	-	-	-	-	56.538	(56.538)	-
Repurchased shares (-)	(784.574)	-	-	-	(164.922)	-	80.486	(869.010)
Cross shareholding adjustment	-	-	-	-	-	-	(1.536)	(1.536)
Premium/discounts on shares	-	-	-	-	-	111.461	(111.461)	-
Gain / (loss) on remeasurement of defined benefit plans	(4.592)	(35.419)	(31.342)	(20.227)	(18.854)	-	569	(109.865)
Foreign currency translation differences	-	-	-	-	3.072.024	-	(192.686)	2.879.338
Gains / (losses) from financial assets at fair value through other comprehensive income	7.411.275	-	1.964	7	2.427.239	-	(9.846.442)	(5.957)
Restricted reserves	555.422	14.730	18	236.761	136.944	1.335	198.245	1.143.455
Dividend advances paid (-)	(1.006.669)	-	-	(1.361.024)	-	-	1.376.270	(991.423)
Retained earnings (accumulated losses)	128.515	65.332	1.158.102	33.732.425	12.624.487	174.111	(6.471.253)	41.411.719
Net profit or loss for the period	2.895.995	373.123	(186.004)	10.342.066	1.426.136	378.116	(5.663.874)	9.565.558
Non-controlling interest	-	-	-	-	-	-	4.256.777	4.256.777
Total liabilities	21.023.642	4.222.590	1.067.086	57.880.484	42.910.526	8.620.470	(50.023.153)	85.701.645

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

4. SEGMENT REPORTING (CONTINUED)

As of 31 December 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)	146.044	1.958.268	302.644	713.754	8.526.658	398.130	(67.506)	11.977.992
Revenue (Within the Group)	233.832	-	-	10.218	521.196	71.057	(836.303)	-
Cost of sales (Outside the Group) (-)	(121.324)	(956.492)	(191.843)	(455.489)	(8.959.002)	(291.271)	(9.038)	(10.984.459)
Cost of sales (Within the Group) (-)	(251.184)	(313.953)	(2.328)	(12.065)	(157.454)	(73.552)	810.536	-
Gross profit / (loss)	7.368	687.823	108.473	256.418	(68.602)	104.364	(102.311)	993.533
General administrative expenses (-)	(121.296)	(264.261)	(19.022)	(87.796)	(770.038)	(163.698)	27.898	(1.398.213)
Marketing expenses (-)	-	(103.729)	(3.378)	-	-	(15.512)	838	(121.781)
Research and development expenses (-)	-	-	-	-	-	(422)	79	(343)
Other income from operating activities	896.014	223.528	83.075	2.909.127	1.606.080	88.002	(63.463)	5.642.363
Other expenses from operating activities (-)	(26.033)	(157.806)	(30.539)	(134.879)	(655.780)	(130.754)	74.142	(1.061.649)
Operating profit / (loss)	756.053	385.555	138.609	2.842.870	111.660	(118.020)	(62.817)	4.053.910
Income from investing activities	-	-	5.831	1.982.197	2.083.869	204.220	(4.538.752)	2.618.447
Expenses from investing activities (-)	2.713.098	167.984	(7)	(6)	(87.598)	(1.640)	2.922	(86.484)
Share of profits/ (losses) of investments accounted by equity method	-	(155)	(249.652)	8.621.963	502.110	-	(718.160)	8.156.261
Operating profit / (loss) before financial income / (expense)	3.469.151	553.384	(105.219)	13.447.024	2.610.041	84.560	(5.316.807)	14.742.134
Financial incomes	92.119	74.395	8.137	1.016.685	130.601	246.918	(1.036.610)	532.245
Financial expenses (-)	(656.460)	(1.114.603)	(5.538)	(1.459.832)	(981.234)	(585.139)	2.845.206	(1.957.600)
Monetary (loss)/gain (Net)	135.475	96.097	(57.653)	(2.267.177)	(1.058.312)	539.517	(1.729.401)	(3.471.454)
Profit / (loss) before tax from continued operations	3.040.285	479.273	(160.273)	10.736.700	701.096	285.856	(5.237.612)	9.845.325
Tax (expense) / income for the period	(73.957)	(69.363)	(29.685)	(466.446)	(80.496)	(2.140)	1.486	(720.501)
Deferred tax (expense) / income	(70.433)	(36.787)	3.954	71.812	805.536	94.400	(20.968)	847.514
Tax (expense) / income from continued operations	(144.290)	(106.150)	(25.731)	(394.634)	725.040	92.260	(19.482)	127.013
Net profit / (loss) from continued operations	2.895.995	373.123	(186.004)	10.342.066	1.426.136	378.116	(5.257.094)	9.972.338
Net income / (loss) for the period	2.895.995	373.123	(186.004)	10.342.066	1.426.136	378.116	(5.257.094)	9.972.338
Other comprehensive income not to be reclassified to profit or loss								
- Gain / (loss) on remeasurement of defined benefit plans	1.069	(22.409)	2	2.029	11.311	-	-	(7.998)
- Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit or loss	-	-	18.441	37.315	5	-	-	55.761
- Deferred tax income for other comprehensive income not to be reclassified to profit or loss	(131)	6.071	(3.453)	(8.576)	(2.025)	-	-	(8.114)
Other comprehensive income to be reclassified to profit or loss	-	-	-	-	(114.554)	-	-	(114.554)
- Foreign currency translation differences	-	-	-	-	(424)	-	-	(424)
- Other comprehensive income/(expense) for financial assets at fair value difference is through other comprehensive income	-	-	-	-	985.977	-	-	985.977
- Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total comprehensive income/ (expense)	2.896.933	356.785	(171.014)	10.372.834	2.306.426	378.116	(5.257.094)	10.892.986
Distribution of profit / (loss) for the period	-	-	-	-	-	-	-	-
- Non-controlling interest	-	-	-	-	-	-	-	-
- Parent company shares	2.895.995	373.123	(186.004)	10.342.066	1.426.136	378.116	(5.663.874)	406.780
- Distribution of total comprehensive income/ (expense)	-	-	-	-	-	-	-	-
- Non-controlling interest	-	-	-	-	-	-	-	-
- Parent company shares	2.896.933	356.785	(171.014)	10.372.834	2.306.426	378.116	(5.720.341)	463.247
								10.419.739

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands 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 year ended 31 December 2024 is as follows (TL):

	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination	Total
Right of use assets (Note 20, 29)	10.518	56.803	655	4.819	47.173	2.329	(52.066)	70.231
Property, plant and equipment (Note 18, 29)	6.736	75.290	615	241.887	126.183	158.435	-	609.146
Intangible assets (Note 19, 29)	404	1.874	-	14.225	23.297	28.227	-	68.027
Current period depreciation expenses	17.658	133.967	1.270	260.931	196.653	188.991	(52.066)	747.404
Provision no longer required for termination indemnity (Note 30)	(399)	(10.501)	-	(790)	(21.295)	-	-	(32.985)
Current period termination indemnity expense	7.405	37.557	47	3.155	26.442	6.656	-	81.262
Total termination indemnity expense for the period	7.006	27.056	47	2.365	5.147	6.656	-	48.277

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 year ended 31 December 2023 is as follows (TL):

	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Agriculture	Elimination	Total
Right of use assets (Note 20, 29)	6.946	55.903	-	2.994	45.569	1.386	(53.994)	58.804
Property, plant and equipment (Note 18, 29)	5.203	64.397	-	245.359	140.193	65.665	-	520.817
Intangible assets (Note 19, 29)	271	2.040	-	14.260	3.603	2.934	-	23.108
Current period depreciation expenses	12.420	122.340	-	262.613	189.365	69.985	(53.994)	602.729
Provision no longer required for termination indemnity (Note 30)	(4.039)	(25.221)	(15)	(2.183)	(28.433)	-	-	(59.891)
Current period termination indemnity expense	5.654	37.126	2	4.296	35.553	31	-	82.662
Total termination indemnity expense for the period	1.615	11.905	(13)	2.113	7.120	-	-	22.771

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

5. CASH AND CASH EQUIVALENTS

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

	31 December 2024	31 December 2023
Cash	1.324	278
Checks Received	106.210	22.460
Banks	5.004.458	4.391.330
- TL demand deposits	9.170	9.545
- foreign currency demand deposits	2.951.959	100.688
- TL time deposit	1.466.085	1.510.745
- foreign currency time deposit	577.244	2.770.352
Liquid assets	3.624.482	312.701
Total	8.736.474	4.726.769

As of 31 December 2024, the interest rates applied to time deposits are %29,00– %50,25 for TL deposits (31 December 2023 - %19,00 – %45,00); %1,00 for Euro deposits (31 December 2023 – 2,25%-3,00%); 1,12% – 1,50% for deposits denominated in US dollars (31 December 2023 -3,00%- 4,75%) no deposits GBP (31 December 2023 –2,00%- 2,75%); for RON deposits 18,50% (31 December 2023 ,12,75%)

TL 1.240 consists of blocked deposit loans and has been classified to demand account since it is shorter than 3 months (31 December 2023: TL 1.130).

6. FINANCIAL INVESTMENTS

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

	31 December 2024	31 December 2023
Financial assets at fair value through profit / (loss)		
-Investment funds ^(*)	1.642.039	1.200.550
Value increase in marketable securities (Note 31)	854.609	421.404
- Public sector notes, promissory notes and bonds ^(*)	1.580.203	865.468
- Currency protected deposit account	430.720	2.680.055
- Foreign currency government debt securities ^(**)	212.671	3.434.942
-Investment debt securities ^(***)	59.638	-
Financial assets at amortized cost		
- Public sector notes, promissory notes and bonds ^(*)	-	714.147
Total	4.779.880	9.316.566

^(*) As of the 31 December 2024 public sector notes, promissory notes and bonds interest rate varies between 4,81%-9,97% (31 December 2023 -3,18%, 4,75%, 2,38% and 2,88%)

^(**) As of the 31 December 2024 foreign currency government debt securities interest rate varies between 4,48%-4,92%..(31 December 2023 3,74%)

^(***) It is a repo in foreign currency.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

6. FINANCIAL INVESTMENTS (CONTINUED)

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

	31 December 2024		31 December 2023	
	Participaton rate %	Participation amount	Participation rate %	Participation amount
Financial assets at fair value through other comprehensive income				
-TSKB A.Ş.	-	-	< %1	4.383
Financial assets at fair value through profit / (loss)				
- Public sector notes, promissory notes and bonds (*)		2.624.887		1.671.132
-Investments in foreign companies		1.403.809		859.610
Total		4.028.696		2.535.125

(*) As of the 31 December 2024 public sector notes, promissory notes and bonds interest rate varies between 4,18% and 9,97%. (31 December 2023 - 3,18%, 4,75%, 2,38% and 2,88%)

7. FINANCIAL LIABILITIES

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

	31 December 2024	31 December 2023
Short term financial liabilities	7.405.169	7.129.389
Shot term lease obligations	30.460	28.407
Short term parts of long term borrowings	470.246	228.658
Total	7.905.875	7.386.454

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

	31 December 2024	31 December 2023
Long-term borrowings	7.634.111	745.021
Long-term lease obligations	88.794	80.478
Total	7.722.905	825.499

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

7. FINANCIAL LIABILITIES (CONTINUED)

As of 31 December 2024 and 2023, the maturities and interest rates of short term bank loans are as follows:

31 December 2024						
	Maturity date	Effective interest rate	Currency	Original amount of foreign currency	Foreign exchange rate	TL Amount
Bank loans	1.01.2025-31.12.2025	%2,25-%36	TL	299.650	-	299.650
Bank loans	17.03.2025-29.09.2025	%6,50	Usd	24.777	35,3438	875.713
Bank loans	10.01.2025-31.12.2025	%4,97-%7,85	Eur	182.055	36,8024	6.700.052
Leases	1.01.2025-31.12.2025	%14,59-%63,10	TL	26.997	-	26.997
Leases	1.01.2025-31.12.2025	%4,00	Ron	466	7,4389	3.463
Total						7.905.875
31 December 2023						
	Maturity date	Effective interest rate	Currency	Original amount of foreign currency	Foreign exchange rate	TL Amount
Bank loans	18.12.2024	%8,32-%36,00	TL	386.254	-	557.669
Bank loans	12.08.2024	%7,20-%8,00	Usd	26.092	29,4913	1.110.967
Bank loans	27.11.2024	%2,10-%8,75	Eur	120.757	32,6326	5.689.411
Leases	31.12.2024	%14,59-%37,94	TL	17.076	-	24.654
Leases	31.12.2024	%4,00	Eur	80	32,6326	3.753
Total						7.386.454

As of 31 December 2024 and 2023, the maturities and interest rates of long term bank loans are as follows:

31 December 2024						
	Maturity date	Effective interest rate	Currency	Original amount of foreign currency	Foreign exchange rate	TL Amount
Bank loans	20.01.2026-15.12.2032	%4,75-%36,00	TL	513.171	-	513.171
Bank loans	1.01.2026-24.09.2029	%5,20	Eur	193.491	36,8024	7.120.940
Leases	1.01.2026-28.02.2062	%14,81-%66,00	TL	85.506	-	85.506
Leases	1.01.2026-31.12.2026	%4,00	Ron	442	7,4389	3.288
Total						7.722.905
31 December 2023						
	Maturity date	Effective interest rate	Currency	Original amount of foreign currency	Foreign exchange rate	TL Amount
Bank loans	18.08.2033	%8,32-%36,00	TL	516.019	-	745.021
Leases	28.02.2062	%14,59-%50,97	TL	50.555	-	72.991
Leases	19.10.2025	%4,00	Eur	159	32,6326	7.487
Total						825.499

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

7. FINANCIAL LIABILITIES (CONTINUED)

As of 31 December 2024 and 2023, the distribution of short and long term financial liabilities according to their maturities are as follows (TL):

	Bank loans 31 December 2024 (TL)	Leases 31 December 2024 (TL)	Bank loans 31 December 2023 (TL)	Leases 31 December 2023 (TL)
Within 1 year	7.875.415	30.460	7.358.047	28.407
Within 1 – 2 years	3.508.463	22.195	223.301	21.870
Within 2 – 3 years	1.835.664	13.954	164.004	11.639
Within 3 – 4 years	1.162.148	10.343	117.612	9.503
4 years and longer	1.127.836	42.302	240.104	37.466
Total (Note 37 (iii))	15.509.526	119.254	8.103.068	108.885

As of 31 December 2024, the movement schedule of financial liabilities is as follows (TL) :

	Bank loans	Leases
Opening balance, 1 January 2024	8.103.068	108.885
Uses	12.329.579	54.701
Business combinations effect	96.744	-
Interest accruals	631.880	18.823
Principal payments	(3.897.696)	(31.172)
Interest payments	(548.792)	-
Effective interest rate effect	1.425	-
Adjustments related to unrealized exchange rate differences	1.284.018	936
Rate change	-	6
Monetary gain/(loss)	(2.490.700)	(32.925)
Closing balance, 31 December 2024	15.509.526	119.254

As of 31 December 2023, the movement schedule of financial liabilities is as follows (TL) :

	Bank loans	Leases
Opening balance, 1 January 2023	3.933.895	97.521
Uses	4.832.264	83.816
Business combinations effects	47.759	-
Interest accruals	135.528	21.290
Principal payments	(896.342)	(45.125)
Interest payments	(32.547)	-
Effective interest rate effect	(2.322)	-
Adjustments related to unrealized exchange rate differences	1.631.266	(1.248)
Monetary gain/(loss)	(1.546.433)	(47.369)
Closing balance, 31 December 2023	8.103.068	108.885

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

8. TRADE RECEIVABLES AND PAYABLES

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

	31 December 2024	31 December 2023
Customers	1.061.042	3.765.220
Rediscount on receivables (-)	(48.575)	(6.799)
Other short term receivables	468.106	433.745
Doubtful trade receivables	19.633	27.398
Provision for doubtful trade receivables (-)	(19.633)	(27.398)
Total	1.480.573	4.192.166
Trade receivables from related parties	397.759	36.466
Total trade receivables from related parties (Note 36)	397.759	36.466
Grand Total (Note 37 (i))	1.878.332	4.228.632

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

	31 December 2024	31 December 2023
Customers	165	212
Total (Note 37 (ii))	165	212

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

	31 December 2024	31 December 2023
Opening balance	27.398	10.281
Expense for the current period (Note 28)	696	19.306
Collections / provisions no longer required (Note 30)	(432)	(36)
Currency translation difference	-	1.889
Monetary gain/(loss)	(8.029)	(4.042)
Closing balance	19.633	27.398

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

8. TRADE RECEIVABLES AND PAYABLES (CONTINUED)

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

	31 December 2024	31 December 2023
Suppliers	1.627.856	2.734.966
Rediscount for payables (-)	(22.666)	(9.169)
Other trade payables	24.878	76.670
Total	1.630.068	2.802.467
Trade payables to related parties	915.717	4.383
Total trade payables to related parties (Note 36)	915.717	4.383
Grand Total (Note 37(ii))	2.545.785	2.806.850

9. OTHER RECEIVABLES AND PAYABLES

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

	31 December 2024	31 December 2023
Deposits and guarantees given	12.791	14.628
Other miscellaneous receivables	27.157	13.091
Total	39.948	27.719
Other receivables from related parties	31.700	1.226
Total other receivables from related parties (Note 36)	31.700	1.226
Grand Total (Note 37(ii))	71.648	28.945

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

	31 December 2024	31 December 2023
Deposits and guarantees given	4.708	4.746
Total	4.708	4.746
Other receivables from related parties	187.369	135.053
Total other receivables from related parties (Note 36)	187.369	135.053
Grand Total (Note 37(ii))	192.077	139.799

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

9. OTHER RECEIVABLES AND PAYABLES (CONTINUED)

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

	31 December 2024	31 December 2023
Taxes, duties, and other withholdings payable	286.258	145.726
Deposits and guarantees received	123.636	17.774
Other miscellaneous payables	7.311	27.516
Total	417.205	191.016
Other payables to related parties	6.745.690	6.239.803
Total other receivables from related parties (Note 36)	6.745.690	6.239.803
Grand Total (Note 37(ii))	7.162.895	6.430.819

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

	31 December 2024	31 December 2023
Deposits and guarantees given	649.512	845.951
Other miscellaneous payables	74.752	-
Grand Total (Note 37(ii))	724.264	845.951

10. INVENTORIES

Inventories consist of the following (TL) :

	31 December 2024	31 December 2023
Raw materials and supplies	611.664	443.777
Semi-finished Goods in Production	139.025	22.066
Finished Goods	147.125	49.541
Merchandise (*)	491.994	1.078.397
Other inventories	24.097	311
Inventory impairment provision (-)	(64)	(64)
Total	1.413.841	1.594.028

(*) As of 31 December 2024, 147.527 TL of the total commodity balance of 491.994 TL (31 December 2023 – 1.078.397 TL) consists of real estate (31 December 2023 – 1.046.625 TL).

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

10. INVENTORIES (CONTINUED)

As of 31 December 2024 and 2023, details of real estates consist of the following (TL) :

	31 December 2024				31 December 2023			
	Adjusted book value (TL)	Sales value (TL)	Expertise value (TL)	Expertise date	Adjusted book value (TL)	Sales value (TL)	Expertise value (TL)	Expertise date
Land in Büyükçekmece (*)								
Land cost (3 parcels)	-	-	-	-	77.137	-	979.451	29.12.2023
Land in Orhanlı and Kocataş								
Land cost of Orhanlı (**)	-	-	-	-	821.961	-	1.903.244	9.10.2023
Land cost of Kocataş	147.527	-	2.072.400	31.12.2024	147.527	-	2.144.025	29.12.2023
Total	147.527	-	2.072.400		1.046.625		5.026.720	

Land in Büyükçekmece: There are 3 parcels of land with a total area of 622.478 m². According to the appraisal report dated 29 December 2023, equal comparison and income reduction methods have been used and equal comparison has been taken into consideration

Lands in Kocataş: There is a land of 369.411 m² located in Kocataş Village of Maden District in Sarıyer. In accordance with the appraisal report dated 31 December 2024, cost approach method is used in the determination of appraiser valueequal comparison method is used in the determination of appraiser value

As of 31 December 2024 the real estates in the inventories have been valued by Reel Gayrimenkul Değerleme A.Ş. (31 December 2023 TSKB Gayrimenkul Değerleme A.Ş.).

(*) As of December 31, 2024, Büyükçekmece Land has been transferred from stocks to investment properties.

(**) Regarding the sale of the 95,351.39 m² land registered in the assets of Alarko Konut Projeleri Geliştirme A.Ş., one of the subsidiaries, and located in the Tuzla District of Istanbul Province, Orhanlı Neighborhood, registered in the 7375 island 1 parcel of the land registry, on December 20, 2024, the Board of Directors of Alarko Konut Projeleri Geliştirme A.Ş. decided to sell the land in question in cash to Universal Wind Enerji Elektrik Üretim Anonim Şirketi for a sales price of 1,856.848 TL including VAT.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

11. PREPAID EXPENSES

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

	31 December 2024	31 December 2023
Advances given	582.442	462.109
Advances given to sub-contractors	447.990	560.474
Prepaid expenses	132.445	162.483
Total	1.162.877	1.185.066

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

	31 December 2024	31 December 2023
Advances given	1.481.571	766.603
Prepaid expenses	40.413	48.578
Total	1.521.984	815.181

12. ASSETS AND LIABILITIES ARISING FROM CUSTOMER CONTRACTS

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

	31 December 2024	31 December 2023
Costs related to on-going constructions	23.476.707	31.646.287
Estimated earnings	(47.189)	1.518.038
Less: Total invoiced progress payment for the end of period	(23.588.503)	(33.536.200)
Total	(158.985)	(371.875)

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

	31 December 2024	31 December 2023
Receivables from on-going constructions	24.647	529.613
Progress payments from on-going constructions contracts	(183.632)	(901.488)
Total	(158.985)	(371.875)

Total amount of short and long term advances received by the subsidiaries of the Group related to on-going constructions contracts is TL 626.683 as of 31 December 2024 (31 December 2023 – TL 1.243.947) and aforementioned amounts is recognized under deferred income account.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

12. ASSETS AND LIABILITIES ARISING FROM CUSTOMER CONTRACTS (CONTINUED)

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

	31 December 2024	31 December 2023
Contractual assets arising from ongoing construction and contracting works	24.647	529.613
Contract assets arising from sales of goods and services	-	175
Total	24.647	529.788

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

	31 December 2024	31 December 2023
Progress payments for ongoing construction contracts	183.632	901.488
Payables arising from ongoing construction and contracting works	257.928	206.465
Contract liabilities arising from sales of goods and services	5.855	16.711
Total	447.415	1.124.664

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

	31 December 2024	31 December 2023
Payables arising from ongoing construction and contracting works	-	206.467
Contract liabilities arising from sales of goods and services	582	604
Total	582	207.071

13. DERIVATIVE INSTRUMENTS

The details of short-term derivative instruments as of 31 December 2024 and 2023 are as follows;

				31 December 2024	31 December 2023
	Contract amount	Currency type	Maturity date	Asset / (liability) amount at fair value (TL)	Asset / (liability) amount at fair value (TL)
Forward transactions	207.250	Usd	31.12.2024	-	(3.976)
Forward transactions	168.200	Usd	30.04.2024	-	(3.681)
Total				-	(7.657)

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

14. DEFERRED INCOME (EXCLUDING LIABILITIES FROM CUSTOMER CONTRACTS)

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

	31 December 2024	31 December 2023
Advances received from commitment works	313.341	751.156
Advances received	85.196	108.656
Deferred income related to following months	321	338
Total	398.858	860.150

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

	31 December 2024	31 December 2023
Advances received from commitment works	313.342	492.791
Total	313.342	492.791

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

15. INVESTMENTS ACCOUNTED BY USING EQUITY METHOD

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

	31 December 2024		31 December 2023	
	Partnership rate%	Partnership amount	Partnership rate%	Partnership amount
Alarko Carrier Sanayi ve Ticaret A.Ş.	42,03	769.634	42,03	904.819
Obrascon Huarte Lain SA – Alsim Alarko San.Tes. ve Ticaret A.Ş. (Spain)	45,00	64.764	44,96	85.849
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (**)	50,00	39.461.974	49,96	37.383.144
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (***)	12,14	103.431	12,13	137.168
Al-Riva Arazi Değ. Konut İnş. Turistik Tes.Golf İşl. ve Tic. A.Ş. (***)	2,28	6.428	2,28	117.465
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (***)	2,63	37.591	2,63	32.489
Bakad International B.V. (*)	33,30	2.260.461	33,27	2.649.517
Sanrose Tarım Sanayi ve Ticaret A.Ş.	25,00	24.894	-	-
İpeks Jeotermal Enerji Tarım Sanayi Ticaret A.Ş.	49,00	316.111	-	-
Barr Operation and Maintenance LLP	25	7.434	-	-
Total		43.052.722		41.310.451

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

	31 December 2024		31 December 2023	
	Partnership rate%	Partnership amount	Partnership rate%	Partnership amount
Alarko – Makyol Adi Ortaklığı	49,99	3.140	49,95	2.170
Barr Operation and Maintenance LLP	-	-	24,98	1.472
Obrascon Huarte Lain SA – Alsim Alarko San. Tes.ve Ticaret A.Ş. (Turkey)	45,00	25.760	45,00	36.633
Total		28.900		40.275
Net		43.023.822		41.270.176

(*) 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., Utilitek Bilgi Teknolojileri 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

15. INVESTMENTS ACCOUNTED BY USING EQUITY METHOD (CONTINUED)

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

	31 December 2024	31 December 2023
Opening balance	41.270.176	38.371.234
Net profit / (loss) for the period	4.685.404	8.874.421
Dividends received	(2.246.352)	(5.999.898)
Other comprehensive income	67.757	1.030.126
Capital increase	-	74.792
Investment valued according to the equity method exiting the consolidation	368.897	-
Effects of rate changes	28.739	(31.892)
Monetary gain/(loss)	(1.150.799)	(1.048.607)
Closing Balance	43.023.822	41.270.176

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

	31 December 2024 before elimination	Elimination	31 December 2024	31 December 2023 before elimination	Elimination	31 December 2023
Alarko Carrier Sanayi ve Ticaret A.Ş.	173.549	(311.159)	(137.610)	(249.652)	(1.465)	(251.117)
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Turkey)	10.873	-	10.873	23.687	-	23.687
Bakad International B.V. (*)	360.250	-	360.250	55.618	-	55.618
Barr Operation and Maintenance LLP	8.565	-	8.565	(1.388)	-	(1.388)
Alarko – Makyol Adi Ortaklığı	(969)	-	(969)	424	-	424
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (**)	4.300.566	(1.570.039)	2.730.527	8.621.963	(730.773)	7.891.190
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (***)	(33.734)	29.916	(3.818)	144.068	12.010	156.078
Al-Riva Arazi Değ. Konut İnş.Turistik Tes. Golf İşl. ve Tic. A.Ş. (***)	(79.876)	797	(79.079)	211.898	394	212.292
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (***)	(26.062)	3.316	(22.746)	67.803	1.674	69.477
Sanrose Tarım Sanayi ve Tic. A.Ş.	(7.275)	1.999	(5.276)	-	-	-
İpeks Jeotermal Enerji Tarım Sanayi Tic. A.Ş.	(20.483)	48.604	28.121	-	-	-
Total	4.685.404	(1.796.566)	2.888.838	8.874.421	(718.160)	8.156.261

(*) 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., Utilitek Bilgi Teknolojileri A.Ş Panel Enerji A.Ş., and 99,99% shares of Meram Elektrik Perakende Satış A.Ş. and 99,60% shares of Meram Elektrik Enerjisi Tопtan 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

15. INVESTMENTS ACCOUNTED BY USING EQUITY METHOD (CONTINUED)

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

	Cash and cash equivalents	Other current assets	Other non-current assets	Total assets	Short-term financial liabilities	Other short-term liabilities	Long-term financial liabilities	Other long-term liabilities	Total liabilities
									31 December 2024
Alarko Carrier Sanayi ve Ticaret A.Ş.	383.809	3.937.762	1.098.660	5.420.231	817.024	1.079.934	808.065	145.324	2.850.347
Obrascon Huarte Lain SA – Alsım AlarkoSan.Tes.ve Ticaret A.Ş.(Spain)	155	1.672.233	-	1.672.388	-	594.224	-	-	594.224
Alarko – Makyal Adi Ortaklığı	95	-	-	95	-	6.261	-	116	6.377
Alcen Enerji Doğıtım vePerakendeSatış Hiz.A.Ş. (*)	9.525.743	26.509.104	63.090.011	99.124.858	4.992.200	8.378.097	445.291	6.385.336	20.200.924
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (**)	-	24.617	1.108.210	1.132.827	-	161.782	-	828	162.610
Al-Riva Arazi Değ. Konut İnş. Turistik Tes.Golf İşl. ve Tic. A.Ş. (**)	-	3.087	535.294	538.381	-	20.809	-	30	20.839
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (**)	-	773	1.707.535	1.708.308	-	5.162	-	69	5.231
Obrascon Huarte Lain SA – Alsım AlarkoSan.Tes.ve Ticaret A.Ş.(Turkey)	8	-	-	8	-	57.252	-	-	57.252
Bakad International BV. (***)	1.858.571	70.653	23.263.535	25.192.759	194.904	50.409	17.570.245	588.309	18.403.867
Barr Operation and Maintenance LLP	73.532	31.692	152.018	257.242	-	227.501	-	-	227.501
Sanrose Tarım Sanayi ve Ticaret A.Ş.	791	14.725	132.490	148.006	1.548	94.590	1.935	3.451	101.524
İpeks Jeothermal Enerji Tarım Sanayi Ticaret A.Ş.	185.088	173.262	565.659	924.009	1.596	345.100	231.590	15.474	593.760
	Cash and cash equivalents	Other current assets	Other non-current assets	Total assets	Short-term financial liabilities	Other short-term liabilities	Long-term financial liabilities	Other long-term liabilities	Total liabilities
									31 December 2023
Alarko Carrier Sanayi ve Ticaret A.Ş.	538.479	3.763.217	1.273.811	5.575.507	1.434.769	1.620.123	221.531	146.242	3.422.665
Obrascon Huarte Lain SA – Alsım AlarkoSan.Tes.ve Ticaret A.Ş.(Spain)	1.140	2.139.856	-	2.140.996	-	760.728	-	-	760.728
Alarko – Makyal Adi Ortaklığı	40	-	998	1.038	-	5.141	-	242	5.383
Alcen Enerji Doğıtım vePerakendeSatış Hiz.A.Ş. (*)	1.795.704	31.536.766	66.201.837	99.534.307	8.076.502	9.840.803	2.139.443	4.657.459	24.714.207
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (**)	-	15.999	1.153.858	1.169.857	-	113.966	-	1.267	115.233
Al-Riva Arazi Değ. Konut İnş. Turistik Tes.Golf İşl. ve Tic. A.Ş. (**)	-	2.343	597.828	600.171	-	17.232	-	243	17.475
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (**)	-	577	1.906.825	1.907.402	-	4.080	-	556	4.636
Obrascon Huarte Lain SA – Alsım AlarkoSan.Tes.ve Ticaret A.Ş.(Turkey)	12	-	-	12	-	81.418	-	-	81.418
Bakad International BV. (***)	1.458.820	424.875	30.287.178	32.170.873	274.154	49.210	23.417.528	466.229	24.207.121
Barr Operation and Maintenance LLP	52.847	51.598	226.155	330.600	-	336.493	-	-	336.493

(*) Since Alcen Enerji Doğıtım ve Perakende Satış Hiz. A.Ş., owns the 100% shares of Meram Elektrik Doğıtım A.Ş., Genel Elektrik Üretim A.Ş., Algiz Enerji A.Ş., Panel Enerji A.Ş., 99,99% shares of Meram Elektrik Perakende Satış A.Ş. and 99,60% shares of Meram Elektrik Enerjisi Tüptan 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%.

(***) 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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

15. INVESTMENTS ACCOUNTED BY USING EQUITY METHOD (CONTINUED)

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

	1 January 2024- 31 December 2024		1 January 2023- 31 December 2023	
	Revenue	Net profit / loss	Revenue	Net profit / loss
Alarko Carrier Sanayi ve Ticaret A.Ş.	6.527.261	412.927	7.890.246	(593.998)
Obrascon Huarte Lain SA – Alsim Alarko San. Tes.ve Ticaret A.Ş.(Turkey)	-	24.162	-	52.637
Alarko – Makyol Adi Ortaklığı	77	(1.937)	-	849
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş.	65.870.941	8.601.130	92.962.729	17.256.337
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş.	5	(84.335)	-	360.169
Al-Riva Arazi Değ. Konut İnş.Turistik Tes.Golf İşl. ve Tic. A.Ş.	-	(65.155)	-	169.507
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş.	-	(199.690)	-	529.746
Bakad International B.V.	1.731.593	1.081.946	1.779.049	167.172
Barr Operation and Maintenance LLP	298.765	34.262	152.888	(5.555)
Sanrose Tarım Sanayi ve Ticaret A.Ş	44.243	(29.099)	-	-
İpeks Jeotermal Enerji Tarım Sanayi Ticaret A.Ş	-	(41.802)	-	-
	1 January 2024- 31 December 2024		1 January 2023- 31 December 2023	
	Other comprehensive income	Deferred tax expense / income	Other comprehensive income	Deferred tax expense / income
Alarko Carrier Sanayi ve Ticaret A.Ş.	5.485	(1.371)	42.771	(8.007)
Obrascon Huarte Lain SA – Alsim Alarko San. Tes.ve Ticaret A.Ş.(Spain)	11.010	-	47.907	-
Obrascon Huarte Lain SA – Alsim Alarko San. Tes.ve Ticaret A.Ş.(Turkey)	-	-	-	-
Alarko – Makyol Adi Ortaklığı	-	-	-	-
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş.	(6.124)	1.531	74.683	(16.329)
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş.	(94)	23	41	(10)
Al-Riva Arazi Değ. Konut İnş.Turistik Tes.Golf İşl. ve Tic. A.Ş.	-	-	-	-
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş.	-	-	-	-
Bakad International B.V.	191.071	-	2.900.104	-
Barr Operation and Maintenance LLP	(438)	-	(1.670)	-
Sanrose Tarım Sanayi ve Ticaret A.Ş.	(717)	179	-	-

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

16. INVESTMENT PROPERTIES

As of 31 December 2024 and 2023, investment properties are as follows (TL):

Fair value	Investment properties
As of 1 January 2023	3.735.434
Increase arising from change in fair value (Note 31)	651.583
Foreign currency translation difference	(202.719)
As of 31 December 2023	4.184.298
Increase arising from change in fair value (Note 31,32)	1.182.506
Additions	852.900
Transfers	77.137
Foreign currency translation difference	(223.997)
As of 31 December 2024	6.072.844

As of 31 December 2024 and 2023, fair values of investment properties are as follows:

Name of Property	31 December 2024		31 December 2023	
	Expertise report date	Fair Value (TL)	Expertise report date	Fair Value (TL)
Maslak Land	31.12.2024	845.900	29.12.2023	810.080
Eyüp Topçular – Factory	31.12.2024	600.000	29.12.2023	600.616
Ankara Çankaya Business Center	31.12.2024	67.960	29.12.2023	63.815
İstanbul Karaköy Business Center	31.12.2024	170.920	29.12.2023	157.084
Büyükkemece Alkent 2000-Stores	31.12.2024	103.704	29.12.2023	98.235
Antalya Land	31.12.2024	342.481	29.12.2023	325.957
İstanbul Sarıyer Land	31.12.2024	843.430	29.12.2023	793.809
Etiler Alkent Site Stores	31.12.2024	511.848	29.12.2023	509.368
İstanbul Büyükkemece Land	31.12.2024	9.296	29.12.2023	9.760
Sanayi Mah. Store	31.12.2024	27.100	29.12.2023	26.710
Adana Office Building	31.12.2024	9.752	29.12.2023	9.356
Mosalarko Office Building	25.12.2024	653.376	22.12.2023	690.715
Tuzla Land	31.12.2024	86.600	29.12.2023	88.793
Büyükkemece Land (*)	31.12.2024	947.577	-	-
Tuzla Land (**)	23.12.2024	852.900	-	-
Total		6.072.844		4.184.298

(*) As no immediate development plans exist for the Büyükkemece land, it has been duly reclassified from inventory to investment properties as of 31 December 2024.

(**) The Board of Directors of Alarko Carrier Sanayi ve Ticaret A.Ş. has, by unanimous resolution, approved the sale of a 29.865 m² parcel of land, duly registered in the land registry under block 0, parcel no. 4723, situated in Merkez Mahallesi, Tuzla District, Istanbul Province, and designated as farmland, to its subsidiary, Alarko Enerji A.Ş., for the sum of 895.000 TL.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

16. INVESTMENT PROPERTIES (CONTINUED)

As of 31 December 2024, 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	Equal Comparison , Cost Analysis	Cost Approach
Ankara Çankaya Business Center	Equal Comparison, Income Reduction	Equal Comparison
İstanbul Karaköy Business Center	Equal Comparison	Equal Comparison
Büyükçekmece Alkent 2000-Stores	Equal Comparison, Income Reduction	Income Reduction
Antalya Land	Equal Comparison	Equal Comparison
İstanbul Sarıyer Land	Equal Comparison	Equal Comparison
Etiler Alkent Site Stores	Equal Comparison, Income Reduction	Income Reduction
İstanbul Büyükçekmece Land	Equal Comparison	Equal Comparison
Sanayi Mah Store	Equal Comparison, Income Reduction	Equal Comparison
Adana Office Building	Equal Comparison	Equal Comparison
Mosalarko Office Building	Equal Comparison, Income Reduction	Average
Tuzla Land	Equal Comparison	Equal Comparison
Büyükçekmece Land	Equal Comparison, Income Reduction	Equal Comparison
Tuzla Land	Equal Comparison, Income Reduction	Equal Comparison

As of 31 December 2023, 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	Income Reduction
Büyükçekmece Alkent 2000-Stores	Equal Comparison, Income Reduction	Income Reduction
Antalya Land	Equal Comparison	Equal Comparison
İstanbul Sarıyer Land	Equal Comparison	Equal Comparison
Etiler Alkent Site Stores	Equal Comparison, Income Reduction	Income Reduction
İstanbul Büyükçekmece Land	Equal Comparison	Equal Comparison
Sanayi Mah Store	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 years 2024 and 2023 Mosalarko Office Building that is an investment property has been valued by Nexia Pacioli Consulting LLC. In years 2024 other investment properties have been valued by Reel Gayrimenkul Değerleme A.Ş. (31 December 2023 TSKB Gayrimenkul Değerleme A.Ş.)

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

16. INVESTMENT PROPERTIES (CONTINUED)

As of 31 December 2024, the Group's investment properties and fair value hierarchy of the related assets are as follows (TL):

Name of Property	Fair Value	Level 1	Level 2	Level 3
Maslak Land	845.900	-	845.900	-
Eyüp Topçular – Factory	600.000	-	600.000	-
Ankara Çankaya Business Center	67.960	-	67.960	-
İstanbul Karaköy Business Center	170.920	-	170.920	-
Büyükçekmece Alkent 2000-Stores	103.704	-	-	103.704
Antalya Land	342.481	-	342.481	-
İstanbul Sarıyer Land	843.430	-	843.430	-
Etiler Alkent Site Stores	511.848	-	-	511.848
İstanbul Büyükçekmece Land	9.296	-	9.296	-
Sanayi Mah. Store	27.100	-	27.100	-
Adana Office Building	9.752	-	9.752	-
Mosalarko Office Building	653.376	-	-	653.376
Tuzla Land	86.600	-	86.600	-
Büyükçekmece Land	947.577	-	947.577	-
Tuzla Land	852.900	-	852.900	-
Total	6.072.844	-	4.803.916	1.268.928

As of 31 December 2023, the Group's investment properties and fair value hierarchy of the related assets are as follows (TL):

Name of Property	Fair Value	Level 1	Level 2	Level 3
Maslak Land	810.080	-	810.080	-
Eyüp Topçular – Factory	600.616	-	600.616	-
Ankara Çankaya Business Center	63.815	-	63.815	-
İstanbul Karaköy Business Center	157.084	-	157.084	-
Büyükçekmece Alkent 2000-Stores	98.235	-	-	98.235
Antalya Land	325.957	-	325.957	-
İstanbul Sarıyer Land	793.809	-	793.809	-
Etiler Alkent Site Stores	509.368	-	-	509.368
İstanbul Büyükçekmece Land	9.760	-	9.760	-
Sanayi Mah. Store	26.710	-	26.710	-
Adana Office Building	9.356	-	9.356	-
Mosalarko Office Building	690.715	-	-	690.715
Tuzla Land	88.793	-	88.793	-
Total	4.184.298	-	2.885.980	1.298.318

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

17. NON-CURRENT ASSETS HELD FOR SALE

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

	31 December 2024	31 December 2023
Property, plant and equipment	9.234	22.532
Total	9.234	22.532

Property, plant and equipment with net carrying value of TL 9.234 is classified as non-current assets held for sale as of 31 December 2024 (31 December 2023- TL 22.532).

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

18. PROPERTY, PLANT AND EQUIPMENT

Movements of cost and accumulated depreciation of property, plant and equipment for the years ended 31 December 2024 and 2023 are as follows (TL):

As of 31 December 2024;

Cost	Opening 1 January 2024	Additions	Currency translation difference	Disposals and transfers	Business combinations effect	31 December 2024	Total 31 December 2024
Land	815.042	487.515	(3.814)	-	247.238	1.545.981	1.545.981
Land improvements	89.746	11.765	-	987	148.184	250.682	250.682
Buildings	3.700.934	237.365	(25.216)	964.364	55.157	4.932.604	4.932.604
Plant, machinery and equipment	6.351.633	(37.253)	(140.868)	385.811	371.252	6.880.575	6.880.575
Motor vehicles	46.075	15.879	(3.521)	(8.370)	282	50.345	50.345
Furniture and fixtures	915.981	262.363	(14.819)	(44.730)	64.254	1.183.049	1.183.049
Leasehold improvements	488.026	24.075	-	(1.341)	4.485	515.245	515.245
Other tangible assets	102.665	-	(8.313)	(16.947)	-	77.405	77.405
Construction in progress	2.733.241	4.139.911	-	(1.495.185)	39.550	5.417.517	5.417.517
Total	15.243.343	5.141.620	(196.551)	(215.411)	880.402	20.853.403	20.853.403

Accumulated Depreciation	Opening 1 January 2024	Depreciation expense for the period	Currency translation difference	Depreciation of sales and transfers	Business combinations effect	31 December 2024	Total 31 December 2024
Land improvements	63.987	9.165	-	-	-	73.152	73.152
Buildings	565.255	133.590	(16.669)	(21.772)	12.506	672.910	672.910
Plant, machinery, and equipment	3.868.559	344.421	(69.874)	(200.193)	34.791	3.977.704	3.977.704
Motor vehicles	23.350	6.440	(3.352)	(4.505)	195	22.128	22.128
Furniture and fixtures	719.372	86.052	(8.279)	(61.450)	602	736.297	736.297
Leasehold improvements	451.618	15.198	-	(543)	-	466.273	466.273
Other tangible assets	49.253	14.280	-	(5.615)	-	57.918	57.918
Total accumulated depreciation (Note 29)	5.741.394	609.146	(98.174)	(294.078)	48.094	6.006.382	6.006.382
Property, plant, and equipment, (net)	9.501.949					14.847.021	14.847.021

As of 31 December 2024, capitalized borrowing costs is 20.285 TL.

As of 31 December 2024, total insurance amount of asset values is TL 21.805.476.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As of 31 December 2023;

Cost	Opening 1 January 2023	Additions	Currency translation difference	Disposals and transfers	Business combination effect	Total 31 December 2023
Land	67,925	766,499	(1,970)	(45,762)	28,350	815,042
Land improvements	68,552	2,451	-	(24,407)	43,150	89,746
Buildings	3,237,074	125,579	(3,641)	(23,400)	365,322	3,700,934
Plant, machinery and equipment	5,796,549	301,085	33,583	(111,331)	331,747	6,351,633
Motor vehicles	35,808	21,471	(805)	(14,235)	3,836	46,075
Furniture and fixtures	832,681	63,878	(6,799)	(25,874)	52,095	915,981
Leasehold improvements	462,095	25,931	-	-	-	488,026
Other tangible assets	71,540	37,985	-	(6,860)	-	102,665
Construction in progress	488,961	2,127,112	-	-	117,168	2,733,241
Total	11,061,185	3,471,991	20,368	(251,869)	941,668	15,243,343

Accumulated Depreciation	Opening 1 January 2023	Depreciation expense for the period	Currency translation difference	Depreciation of sales and transfers	Business combination effect	Total 31 December 2023
Land improvements	59,174	4,586	-	-	227	63,987
Buildings	475,349	96,737	(6,583)	(248)	-	565,255
Plant, machinery, and equipment	3,493,035	320,510	(70,525)	(6,637)	132,176	3,868,559
Motor vehicles	34,165	3,896	(12,336)	(2,515)	140	23,350
Furniture and fixtures	677,218	64,591	(3,392)	(24,467)	5,422	719,372
Leasehold improvements	422,746	28,872	-	-	-	451,618
Other tangible assets	48,162	1,625	-	(534)	-	49,253
Total accumulated depreciation (Note 29)	5,209,849	520,817	(92,836)	(34,401)	137,965	5,741,394
Property, plant, and equipment, (net)	5,851,336					9,501,949

As of 31 December 2023, there is no capitalized borrowing costs.

As of 31 December 2023, total insurance amount of asset values is 22.617.510 TL.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

19. INTANGIBLE ASSETS

Movements of the cost and accumulated amortization of Group's intangible assets for the year ended 31 December 2024 (TL):

Cost	Rights	Other intangible assets	Total
As of 1 January 2024	912.140	3.781	915.921
Additions	243.243	55	243.298
Disposals	(2.825)	-	(2.825)
Currency translation difference	(25.880)	-	(25.880)
Business combinations effect	3.628	-	3.628
As of 31 December 2024	1.130.306	3.836	1.134.142
Accumulated amortization	Rights	Other intangible assets	Total
As of 1 January 2024	196.568	3.433	200.001
Charge for the current period (Note 29)	67.861	166	68.027
Disposal	(2.338)	-	(2.338)
Currency translation difference	(980)	-	(980)
Business combinations effect	6	-	6
As of 31 December 2024	261.117	3.599	264.716
Intangible assets (net)	869.189		869.426

Movements of the cost and accumulated amortization of Group's intangible assets for the year ended 31 December 2023 (TL):

Cost	Rights	Other intangible assets	Total
As of 1 January 2023	807.441	3.773	811.214
Additions	156.497	8	156.505
Disposals	(55.561)	-	(55.561)
Business combination effect	4.934	-	4.934
Currency translation difference	(1.171)	-	(1.171)
As of 31 December 2023	912.140	3.781	915.921
Accumulated amortization	Rights	Other intangible assets	Total
As of 1 January 2023	172.646	3.302	175.948
Charge for the current period (Note 29)	22.977	131	23.108
Business combination effect	2.495	-	2.495
Currency translation difference	(1.550)	-	(1.550)
As of 31 December 2023	196.568	3.433	200.001
Intangible assets (net)	715.572		715.920

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

20. RIGHT OF USE ASSETS

As of 31 December 2024 and 2023, Right of use assets are as follows (TL) :

	1 January 2024 Opening balance	Additions	Disposals	Currency translation difference	31 December 2024 Closing balance
Cost value					
Right of use assets	1.786.696	88.273	(14.168)	(2.136)	1.858.665
Accumulated depreciation (-)	(935.320)	(71.818)	6.240	712	(1.000.186)
Net book value	851.376	16.455	(7.928)	(1.424)	858.479

	1 January 2023 Opening balance	Additions	Disposals	Currency translation difference	31 December 2023 Closing balance
Cost value					
Right of use assets	1.613.962	198.354	(24.950)	(670)	1.786.696
Accumulated depreciation (-)	(879.895)	(59.850)	4.608	(183)	(935.320)
Net book value	734.067	138.504	(20.342)	(853)	851.376

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

21. GOODWILL

As of 31 December 2024 and 2023, goodwill consists of the following (TL) :

	31 December 2024	31 December 2023
Opening balance	650.001	41.200
Additions ^(*)	384.642	608.801
Transfer to the effect of mergers involving undertakings or businesses under common control	(425.944)	-
Adjustments ^(***)	(675)	-
Closing Balance	608.024	650.001

^(*) Goodwill amounting to TL 156.698 was calculated for the purchase of Sanrose Tarım Sanayi Ticaret A.Ş. shares (25%) on January 15, 2024; TL 9.703 for the purchase of Beybur Tarım ve Hayvancılık A.Ş. shares (100%) on April 8, 2024; TL 205.196 for the purchase of Nata Tarım Üretim ve Ticaret A.Ş. shares (100%) on May 7, 2024; TL 8.881 for the purchase of İpeks Jeotermal Enerji Tarım Sanayi Ticaret A.Ş. shares (49%) on May 27, 2024; TL 2.610 for the purchase of Seraf Tarım ve Hayvancılık A.Ş. shares (100%) on August 6, 2024; and TL 1.554 for the purchase of Camser Tarım Gıda A.Ş. shares (51%) on September 24, 2024. (December 31, 2023 - TL 13.976 from the purchase of Seraf Tarım ve Hayvancılık A.Ş. shares (%100) on March 16, 2023, TL 19.428 from the purchase of Palmira Agro Gübre Sanayi ve Ticaret A.Ş. shares (%80) on May 8, 2023, TL 55.579 from the purchase of Antsan Tarım Sanayi ve Ticaret A.Ş. shares (%100) on May 16, 2023, TL 86.813 from the purchase of Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret A.Ş. shares (%100) on July 10, 2023, TL 86.813 from the purchase of Alden Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. shares (%100), which was established through the partial division of Halil Pekdemir Çiftliği Gıda ve İhtiyaç Maddeleri Ticaret ve Sanayi Limited Şirketi on August 4, 2023. 161.834 TL, 1,236 TL from the purchase of Ereğli Agrosan Doğal Ürünler ve Derivatives Tarım Üretim ve Ticaret A.Ş. shares (100%) on August 31, 2023, 96.056 TL from the purchase of Altes Seracılık Tarım Gıda Sanayi ve Ticaret A.Ş. shares (100%) on October 12, 2023, 62,983 TL from the purchase of Alzirat Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. shares (100%) on October 13, 2023, 110.221 TL goodwill has been calculated from the purchase of Genseed Tohum Islah ve Üretim A.Ş. shares (80%) on October 27, 2023.)

^(**) Antsan Tarım Sanayi ve Ticaret Anonim Şirketi, Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret Anonim Şirketi, Hak Gayrimenkul Tarım Sanayi ve Ticaret Anonim Şirketi, Alurla Jeotermal Sağlık ve Turizm Anonim Şirketi, Alpark Jeotermal Sağlık Turizm ve Depoculuk Anonim Şirketi, Altes Seracılık Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, Alzirat Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi and Alden Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirket have been transferred to the subsidiary Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirket with all their assets and liabilities, and the said merger transaction was announced in the Turkish Trade Registry Gazette dated 17 April 2024 and numbered 11064. As a result of the merger transaction, the control of Alarko Holding A.Ş. over the merging companies 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 the POA. The mergers of companies under common control should be accounted for using the merger of rights method and goodwill should not be included in the financial statements. For this reason, the goodwill of TL 425.944 calculated from the acquisitions of these companies has been transferred to the effect of the mergers involving enterprises or businesses under common control.

^(***) A correction has been made to the goodwill amount for Alarko Gıda Sanayi ve Ticaret A.Ş.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

22. PROVISIONS, CONDITIONAL ASSETS AND LIABILITIES

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

	31 December 2024	31 December 2023
Provisions for litigation	82.629	65.395
Total	82.629	65.395

Changes in provisions for litigation as of 31 December 2024 and 2023 are set out below (TL) :

	31 December 2024	31 December 2023
Opening balance	65.395	93.301
Charge for the current period (Note 28)	43.905	8.501
Payments during the year	(7.375)	(1.465)
Provisions no longer required	(6.571)	(2.550)
Monetary gain/(loss)	(12.725)	(32.392)
Provision for litigation at the end of the period	82.629	65.395

Contingent assets and liabilities are as follows (TL) :

- Amount of mortgage on asset values: As of December 31, 2024, in relation to the shops located in Etiler Alkent Site, Beşiktaş District, which are shown in the investment property account of the subsidiary Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. (Alarko Gayrimenkul), there is a right of easement established in favor of the 1411 island 1 parcel and against the 1408 island 1 parcel in order to benefit from the central heating facilities with the journal number 6430 dated October 14, 1987 and a right of easement established for a period of 49 years for a price of 7,72 (Full TL) in order to pass a 1,5 m wide channel for the heating facilities in some parts. In addition, in relation to the same parcel, there is a personal right of easement established in favor of the owners of 1410 island and 1 parcel against this parcel with the journal number 784 dated February 26, 1992 in order to benefit from the excess parking lot specified in the project.
- As of December 31, 2024, the amount of collateral received for short-term trade receivables is TL 2 (December 31, 2023 - TL 3).
- As of 31 December 2024, the provision amount set aside for receivables that are due but could not be collected in the Group's records is TL 19.633 (31 December 2023 - TL 27.398).
- As of 31 December 2024, the mortgage on the group assets is 3.910.509 TL (31 December 2023 – 3.364.106 TL).

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

23. COMMITMENTS

As of 31 December 2024 and 2023, the Group's guarantees-sureties-mortgage ("GSM") position is as follows (TL):

	31 December 2024		31 December 2023	
Guarantee letters given		5.709.142		10.913.799
Mortgages given		3.910.509		3.364.106
Sureties given		17.271.794		6.600.489
Guarantee letters given		1.537.879		2.396.183
Total		28.429.324		23.274.577
Sureties received		12.244.106		3.841.582
Guarantee letters received		2.177.249		1.697.218
Mortgages received		13		19
Notes received		10.688		41.491
Total		14.432.056		5.580.310
	31 December 2024		31 December 2023	
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	2.384.417	2.384.417	2.074.417	2.995.018
USD	120.000	4.233.636	20.000	850.050
EURO	154.958	5.692.571	1.958	92.088
		12.310.624		3.937.156
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	5.565.645	5.565.645	3.979.035	5.744.882
USD	74.413	2.625.312	84.312	3.583.463
EURO	142.724	5.243.145	130.558	6.140.131
RON	365.605	2.684.598	411.549	3.868.945
		16.118.700		19.337.421
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	-	-	-	-
Grand Total		28.429.324		23.274.577

The rate of other guarantees, sureties and mortgages given by the Group to the equity of the Group is 0% as of 31 December 2024 (31 December 2023: 0%).

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

24. EMPLOYEE BENEFITS

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

	31 December 2024	31 December 2023
Provision for unused vacation	34.294	54.260
Provision for termination indemnity	108.019	116.360
Total	142.313	170.620

i) Provision for termination indemnity

Movements of provision for termination indemnity during the year are as follows (TL) :

	31 December 2024	31 December 2023
Opening balance	116.360	143.112
Interest cost	23.025	23.847
Current service cost	31.157	22.880
Payments during the year	(29.299)	(52.834)
Gain / (loss) on remeasurement of defined benefit plans	(20.851)	7.998
Monetary gain/(loss)	(12.373)	(28.643)
Provision for termination indemnity at the end of the period	108.019	116.360

ii) Provision for unused vacation

Movements of provision for unused vacation during the year are as follows (TL) :

	31 December 2024	31 December 2023
Unused vacation allowance at the beginning of the period	54.260	43.591
Increase / (decrease) during the period	12.677	27.681
Monetary gain/(loss)	(32.643)	(17.012)
Provision for unused vacation at the end of the period	34.294	54.260

Payables related to employee benefits are as follows (TL):

	31 December 2024	31 December 2023
Social security withholding payable	24.558	26.827
Reverse charge taxes and funds withheld	60.516	64.281
Payables related to other employee benefits	17.541	30.686
Total	102.615	121.794

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

25. OTHER ASSETS AND LIABILITIES

Other current assets consist of the following (TL) :

	31 December 2024	31 December 2023
Deferred VAT	1.245.251	917.561
Other current assets	11.104	9.012
Total	1.256.355	926.573

Other non-current assets consist of the following (TL)

	31 December 2024	31 December 2023
Prepaid taxes and funds	120.929	184.846
Other miscellaneous non-current assets	576	-
Total	121.505	184.846

Other short term liabilities consist of the following (TL):

	31 December 2024	31 December 2023
Provisions for other liabilities and expenses	9.499	8
Total	9.499	8

26. EQUITY

(a) Share capital :

As of 31 December 2024 and 2023, the Parent Company's shareholding structure is as follows (TL) :

	31 December 2024		31 December 2023	
Name	Shareholding	Nominal value	Shareholding	Nominal value
Alaton Family	29,04%	126.328	31,54%	137.203
Garih Family	30,72%	133.649	31,72%	137.999
Other	40,24%	175.023	36,74%	159.798
Total	100,00%	435.000	100,00%	435.000

As of December 31, 2024 and 2023, the difference arising from the inflation-adjusted nominal capital is TL 5.736.580.

The registered capital ceiling of the Parent Company is TL 500.000. As of December 31, 2024, the paid-in capital is TL 435.000 (December 31, 2023 - TL 435.000) and consists of 43.500.000.000 shares (December 31, 2023 - 43.500.000.000) with a nominal value of 1 Kr (Full TL).

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

26. EQUITY (CONTINUED)

(a) Share capital (Continued)

Alarko Holding A.Ş. Board of Directors; It has been unanimously decided by the participants to revise the Amendment Text regarding the amendment to the Articles of Association accepted in accordance with the decision dated 14 March 2024 and numbered 929; to obtain permission for an extension since the registered capital ceiling permission granted by the Capital Markets Board will expire in 5 years in 2024; to increase the registered capital ceiling of the Company from 500.000 TL to 2.000.000 TL; therefore, to obtain permission from the Capital Markets Board again in accordance with the "Registered Capital System Communiqué" numbered II-18.1 of the Capital Markets Board; to amend Article 8 of the Company's Articles of Association within the framework of the regulations of the Capital Markets Board regarding the registered capital system as specified in the Amendment Text; and to submit the registered capital ceiling to the approval of the first General Assembly to be held following the receipt of the necessary approvals regarding the amendment to the Articles of Association.

The Company applied to the Capital Markets Board on September 25, 2024 regarding the increase of the current registered capital ceiling and the update of its validity date, and this application was accepted by the Capital Markets Board with the permission letter dated November 29, 2024 and numbered E-29833736-110.03-63592. It was notified that the amendment to Article 8 of the Articles of Association was approved with the permission letter dated December 23, 2024 and numbered E-50035491-431.02-00104290944 of the General Directorate of Domestic Trade of the Ministry of Commerce of the Republic of Turkey. The said amendment text will be submitted to the approval of the general assembly at the Ordinary General Assembly meeting for 2024.

(b) Cross shareholding adjustment (-) :

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

	31 December 2024	31 December 2023
Parent Company capital	435.000	435.000
Parent Company shares acquired by the Subsidiary at nominal value (-)	(1.536)	(1.536)
Total share capital	433.464	433.464

There are shares amounting to TL 1.184 acquired by Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. in 2003 and belonging to the Parent Company as of December 31, 2024, shares amounting to TL 349 acquired by Alsim Alarko San. Tes. ve Tic. A.Ş. and belonging to the Parent Company as of December 31, 2024 and shares amounting to TL 3 acquired by Tüm Tesisat ve İnşaat A.Ş. (transferred to Aldem Alarko Konut İnşaat ve Tic. A.Ş. as of December 31, 2024) and belonging to the Parent Company as of December 31, 2024.

(c) Restricted reserves:

As of 31 December 2024 and 2023, restricted reserves consist of legal reserves.

Restricted reserves are as follows (TL) :

	31 December 2024	31 December 2023
Legal reserves	732.847	384.698
Legal reserves inflation difference	791.623	758.757
Total	1.524.470	1.143.455

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

26. EQUITY (CONTINUED)

(c) Restricted reserves (Continued):

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

- 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.
- 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., considering the economic developments experienced worldwide, in order to protect the interests of all stakeholders, especially small stakeholders, and to contribute to healthy price formation; it was unanimously decided to carry out share buybacks within the framework of the Capital Markets Board's Communiqué on Buyback Shares numbered II-22.1 and its announcements dated July 21, 2016 and July 25, 2016, to determine the maximum fund amount that can be allocated for share buyback as TL 180.000 to be covered by internal resources, to determine the maximum share amount that can be subject to share buyback as a nominal value of 8.700.000 (Full TL), and to present the share buyback program and the purchases to be made within the scope of the program to the shareholders at the first General Assembly Meeting. It was unanimously decided to present it to the shareholders at the Board Meeting. Within the scope of the said buyback program; 334.508 TL worth of purchases corresponding to 2.601.787 shares were made in 2022. Purchases worth TL 104.244 corresponding to 629.586 shares were made between January 3, 2023 and February 2, 2023. By the Board of Directors of Alarko Holding A.Ş. on February 16, 2023; Within the framework of the Capital Markets Board's announcement made with the Communiqué on II-22.1 Buyback Shares and the principle decision numbered 9/177 dated February 14, 2023, it has been unanimously decided that in order to protect the interests of all our stakeholders and to contribute to the formation of a healthy price in the value of our Company's shares, share buybacks will be carried out in addition to the existing share buyback program, the maximum fund amount that can be allocated for share buyback determined as TL 180.000 will be revised as TL 380.000 to be covered by internal resources, the maximum share amount that can be subject to share buyback will be revised as TL 5.600.000 (Full TL) nominal value, and the share buyback program and the purchases to be made within the scope of the program will be presented to the shareholders at the first General Assembly Meeting. Within the scope of the said buyback program; Between March 15, 2023 and April 17, 2023, purchases worth TL 345.822 were made for 2.368.627 shares, and the ratio of the repurchased shares to the company's capital reached 1.287%. The share purchase transaction was completed as of April 17, 2023.

Alarko Holding A.Ş. Board of Directors has decided on May 29, 2024; to carry out share buybacks in accordance with the Capital Markets Board's Communiqué on II-22.1 Buyback Shares and its principle decision numbered 9/177 dated February 14, 2023, in order to protect the interests of all stakeholders and contribute to healthy price formation; to determine the maximum fund amount that can be allocated for share buyback as TL 550.000 to be covered by internal resources, to determine the maximum share amount that can be subject to share buyback as TL 4.350.000 (Full TL) nominal value, to determine the maximum period foreseen for share buyback as one year, to present the share buyback program and purchases to be made within the scope of the program to the shareholders at the first General Assembly Meeting. Within the scope of the said buyback program; purchases worth TL 325.987 corresponding to 3.107.343 shares were made between June 5, 2024 and December 26, 2024 and the ratio of the buyback shares within the company capital has reached 2.002%. The total of purchases provided by the internal resources of the subsidiary Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. is TL 219.889 corresponding to 14.539.680 shares and is shown in the "Buyback Shares (-)" account. As of December 31, 2024, there are TL 1.141.430 worth of buyback shares (December 31, 2023 - TL 869.010). The Company has allocated reserves equal to the buyback price of the buyback shares and classified them as restricted reserves allocated from profit under equity.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

26. EQUITY (CONTINUED)

(e) Retained earnings or accumulated losses :

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

	31 December 2024	31 December 2023
Retained earnings or accumulated losses	42.448.039	32.183.536
Extraordinary reserves inflation differences	1.743.854	993.265
Extraordinary reserves	4.831.057	8.234.918
Total	49.022.950	41.411.719

Inflation adjustment differences can be used in free capital increase and loss offset. In addition, inflation adjustment differences arising from reserve items that do not have any records preventing profit distribution can be used in profit distribution.

Due to the use of different indexes in the Tax Procedure Law and TAS 29 inflation accounting application and the adjustment of amounts from previous reporting periods in the TAS 29 application and bringing them to the purchasing power of December 31, 2024; There have been differences between the amounts in the balance sheet prepared in accordance with the Tax Procedure Law regarding the items "Capital Adjustment Differences", "Premiums (Discounts) Related to Shares", "Restricted Reserves Separated from Profit" and "Other Reserves" and the amounts in the financial statements prepared in accordance with TAS/IFRS. The said differences are reflected in the "Previous Years' Profits or Losses" item in the TAS/IFRS financial statements, and these differences are detailed below:

31 December 2024							
	Capital adjustment differences	Premiums Related to Shares	Legal reserves	Reserves for repurchased shares	Extraordinary reserves	Special spares	Capital Advances
According to TAS/ IFRS Financial Statements	5.736.580	-	791.623	532.942	4.831.057	-	-
According to Tax Procedural Law	8.318.776	38.845	362.495	518.508	3.086.257	252.247	43

31 December 2023				
	Capital adjustment differences	Legal reserves	Reserves for repurchased shares	Extraordinary reserves
According to TAS/IFRS Financial Statements	5.736.580	758.757	508.326	8.234.918
According to Tax Procedural Law	8.359.489	389.380	383.988	11.069.573

Within the scope of the first transition to inflation, retained earnings in the balance sheet prepared after TAS 29 inflation adjustment is TL 4.802.013.149 as of 1 January 2022 and the amount calculated on the purchasing power basis as of 31 December 2024 is TL 18.765.014

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

26. EQUITY (CONTINUED)

(f) Non-controlling interest :

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

	31 December 2024	31 December 2023
Share capital	310.474	73.682
Adjustment to share capital	762.966	761.807
Repurchased shares(-)	(80.231)	(80.486)
Premiums/discounts for shares	35.243	15.440
Legal reserves	223.716	215.528
Other comprehensive income	139.190	192.501
Retained earnings or (accumulated losses)	2.911.431	2.671.525
Profit / (loss) for the period	335.254	406.780
Total	4.638.043	4.256.777

As of December 31, 2024, the portion of the profit of the period attributable to non-controlling interests in the amount of TL 335.254 (December 31, 2023 - TL 406.780) in the consolidated statement of profit or loss and other comprehensive income of TL 309.038 (December 31, 2023 - TL 391.733) represents the unowned share of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. in the amount of 48,77% (December 31, 2023 – 48,80%).

As of December 31, 2024, the portion of TL 4.026.582 (December 31, 2023 - TL 3.359.255) of the non-controlling interests in the consolidated financial position statement amounting to TL 4.638.043 (December 31, 2023 - TL 4.256.777) represents the unowned share of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of the Subsidiaries, at the rate of 48,77% (December 31, 2023 – 48,80%).

As of December 31, 2024 and 2023, the total assets, liabilities and equity of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. and the summary profit or loss statements for the years ending on the same dates are as follows:

	31 December 2024	31 December 2023
Current assets	1.829.578	2.586.690
Non-current assets	6.425.980	5.352.434
Total assets	8.255.558	7.939.124
Short term liabilities	540.289	346.876
Long term liabilities	1.834.235	708.831
Equity	5.881.034	6.883.417
Total liabilities	8.255.558	7.939.124
	31 December 2024	31 December 2023
Gross profit / (loss)	210.921	323.326
Operating income / (expenses)	422.689	479.371
Net income / (loss)	633.610	802.697

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

26. EQUITY (CONTINUED)

(g) Share-based payments (-):

The Company has put into effect the "Limited Share Acquisition Bonus Plan" ("Plan") with the Board of Directors' Resolution dated April 26, 2023 and numbered 894. The purpose of the Plan is to establish a system whereby certain employees within the ("Company") (i) are given additional bonuses by giving Shares in return for their performance, subject to certain limits and restrictions, if they meet the performance criteria to be determined for them, and (ii) are given the right to choose to pay a portion of the bonuses they are entitled to within the scope of their employment by giving Shares instead of cash.

The Company has allocated performance-based restricted stock shares to certain executives and key employees ("Participants"). Participants' definitive entitlement to the allocated shares is dependent on reaching certain market conditions and fulfilling the specified working hours. In case of definitive entitlement, the vested shares are given to participants free of charge. 1.738.131 restricted stock shares were allocated during the period. There are 65.861 restricted shares whose allocations were cancelled/invalidated or definitive entitlements were acquired during the period. There are 1.672.270 restricted stock shares available as of the end of the period. The fair values (option prices) of the restrictedly allocated shares were calculated as a weighted average of 107,72 (Full TL) per share as a result of valuations made using the Black-Scholes-Merton pricing model and market data for the dates the shares were allocated.

The amount expensed under the "Limited Stock Acquisition Bonus Plan" in the company's 2024 income statements is TL 53.394, excluding tax provisions. The TL 126.147 that has not yet been expensed under the plan will be expensed over the 2.5-year weighted average amortization period.

27. REVENUE AND COST OF SALES

Revenues consist of the following (TL) :

	31 December 2024	31 December 2023
Domestic sales	3.537.821	3.656.901
Exports sales	4.325.621	8.562.199
Other sales	54.335	61.055
Sales returns (-)	(16.800)	(6.152)
Sales discounts (-)	(302.598)	(295.994)
Other discounts (-)	(104)	(17)
Total	7.598.275	11.977.992

Cost of sales consists of the following (TL) :

	31 December 2024	31 December 2023
Cost of goods solds	766.269	248.882
Cost of trade goods sold	272.459	317.609
Cost of services sold	6.235.194	10.417.968
Total	7.273.922	10.984.459

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

28. MARKETING EXPENSES, GENERAL ADMINISTRATION EXPENSES

Marketing expenses and general administrative expenses are as follows (TL) :

Marketing expenses consist of the following (TL) :

	31 December 2024	31 December 2023
Personnel expenses (Note 29)	61.222	35.211
Outsourced benefits and services	41.401	29.884
Exhibition, advertisement, presentation expenses	13.817	5.025
Transportation and travelling expenses	9.340	3.459
Material expenses	10.147	6.148
Transportation expenses	20.552	-
Miscellaneous expenses	51.165	42.054
Total	207.644	121.781

General administration expenses consist of the following (TL):

	31 December 2024	31 December 2023
Personnel expenses (Note 29)	872.356	709.012
Outsourced benefits and services	262.384	300.773
Depreciation and amortisation (Note 29)	90.905	104.242
Rental expenses	42.724	31.363
Provision for termination indemnity (Note 29)	51.243	31.343
Taxes, duties, and fees	65.662	54.466
Provision for litigation (Note 22)	43.905	8.501
Doubtful receivables expense (Note 8)	696	19.306
Communication expenses	3.998	1.708
Bank expenses	40.616	18.315
Provision for unused vacation (Note 29)	12.677	27.681
Miscellaneous expenses	372.455	91.503
Total	1.859.621	1.398.213

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

29. EXPENSES BY NATURE

Depreciation and amortisation expenses consist of the following (TL) :

	31 December 2024	31 December 2023
General production expenses	275.580	66.549
Cost expenses	380.919	431.938
General administrative expenses (Note 28)	90.905	104.242
Total	747.404	602.729

	31 December 2024	31 December 2023
Right of use assets (Note 20)	70.231	58.804
Depreciation of plant, property and equipment (Note 18)	609.146	520.817
Amortisation of intangible assets (Note 19)	68.027	23.108
Total	747.404	602.729

Benefits provided to employees are as follows (TL):

	31 December 2024	31 December 2023
General production expenses	132.638	81.235
Cost of production of services	405.591	401.902
Research and Development Expenses (-)	11.918	422
General administration expenses (Note 28)	936.276	768.036
Marketing, sales, and distribution expenses (Note 28)	61.222	35.211
Total	1.547.645	1.286.806
Wages and salaries	1.103.561	942.533
Social security premiums	139.414	81.811
Other personnel expenses	253.427	231.119
Provision for termination indemnity (Note 28)	51.243	31.343
Total	1.547.645	1.286.806

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

30. OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

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

	31 December 2024	31 December 2023
Foreign exchange income	1.869.000	5.093.549
Interest income	62.870	119.827
Rental income	32.631	27.232
Provisions for termination indemnity no longer required	32.985	59.891
Rediscounted interest income	25.484	10.885
Provisions for doubtful trade receivables no longer required (Note 8)	432	36
Maturity differences received	61.099	24.613
Compensation received	8.528	1.244
Other income and profit	592.953	305.086
Total	2.685.982	5.642.363

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

	31 December 2024	31 December 2023
Foreign exchange losses	522.153	696.062
Expenses before the commitment	42.500	8
Commercial cost	54.382	208.541
Rediscounted interest expense	53.990	6.434
Commitment costs for completed projects	145.799	58.673
Other expenses and losses	222.791	91.931
Total	1.041.615	1.061.649

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

31. INCOME / EXPENSE FROM INVESTING ACTIVITIES

Income from investing activities are as follows (TL) :

	31 December 2024	31 December 2023
Fair value increase (Note 16)	1.185.779	651.583
Value increase in marketable securities (Note 6)	854.609	421.404
Gain on sale of marketable securities	201.917	129.845
Investment property sales profit	935.925	109.205
Gain on sale of fixed assets	-	243.608
Exchange rate protected deposits fair value difference	517.753	872.330
Income from public sector bonds, notes and shares	119.994	190.472
Total	3.815.977	2.618.447

Expenses from investing activities are as follows (TL) :

	31 December 2024	31 December 2023
Investment property sales loss	30.924	86.484
Loss on sale of fixed assets	8.285	-
Fair value decrease (Note 16)	3.273	-
Exchange rate protected deposits fair value difference	3.508	-
Total	45.990	86.484

32. FINANCIAL EXPENSES

Financial income is as follows (TL):

	31 December 2024	31 December 2023
Derivative instrument income	7.495	33.063
Interest income	850.066	478.065
Received maturity differences	54.525	21.117
Other financial income	10.159	-
Total	922.245	532.245

Financial expenses consist of the following (TL) :

	31 December 2024	31 December 2023
Borrowing expenses	1.716.152	1.204.529
Given maturity differences	1.558.714	717.857
Interest expenses related to leases	246.465	18.346
Derivative instrument expenses	800	16.868
Total	3.522.131	1.957.600

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

33. TAX ASSETS AND LIABILITIES

The Net Monetary Position Gains/(Losses) item reported in the statement of profit or loss results from the following monetary/non-monetary financial statement items:

	1 January – 31 December 2024
NON-MONETARY ITEMS	
Financial Position Statement Items	(4.280.229)
Other receivables	1.496
Inventories	146.471
Prepaid expenses	60.355
Other current assets	(116.697)
Long term financial investments	(1.061.238)
Non-Current Assets Classified for Sale	126
Investment Properties	419.223
Tangible Fixed Assets	2.387.972
Right-of-Use Assets	(106.812)
Intangible Fixed Assets	231.033
Deferred Tax Asset/Liability	770.057
Deferred Income	(21.397)
Other Current Liabilities	548.340
Other Liabilities	(27.755)
Capital Adjustment Differences	(6.583.621)
Repurchased Shares (-)	530.262
Effect of Combinations Involving Enterprises or Businesses Under Common Control (-)	23.101
Other Accumulated Comprehensive Income or Expense Not to be Reclassified to Profit/Loss	226.017
- Gains (Losses) on Investments in Equity-Based Financial Instruments	216.480
- Defined Benefit Plans Remeasurement Gains/(Losses)	9.537
Restricted reserves	(1.226.886)
Retained earnings or accumulated losses	(480.276)
Profit or Loss Statement Items	3.065.350
Revenue	(583.144)
Cost of Sales	1.037.199
General Administrative Expenses	326.831
Marketing, Sales and Distribution Expenses (-)	26.608
Research and Development Expenses	3.801
Other Income from Main Activities	2.663.885
Other Expenses from Main Activities	275.495
Income from Investment Activities	519.913
Expenses from Investment Activities (-)	194
Shares of Profits (Losses) of Investments Valued by Equity Method	(1.860.158)
Financing Income	(2.192)
Financing Expenses	656.918
NET MONETARY GAINS / (LOSSES)	(1.214.879)

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

34. TAX ASSETS AND LIABILITIES (CONTINUED)

a) Corporate tax;

The effective tax rate applied in 2024 is 25% (2023: 25%).

The corporate tax rate to be accrued on taxable corporate income is calculated on the remaining tax base after adding the expenses that cannot be deducted from the tax base recorded as expenses in determining commercial income and deducting tax-exempt earnings, non-taxable income and other deductions (previous year losses, if any, and investment deductions used if preferred).

In Turkey, provisional tax is calculated and accrued on a three-month basis. With the "Law on the Amendment of Certain Laws and Legislative Decree No. 375 and the Establishment of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on February 6, 2023" published in the Official Gazette dated July 15, 2023, the corporate tax rate was increased from 20% to 25%. Accordingly, the calculated corporate tax provision and deferred tax calculations were made by taking into account the corporate tax rate valid in the relevant year. Losses can be carried forward for a maximum of 5 years to be deducted from the taxable profit to be generated in future years. However, the losses incurred cannot be deducted retroactively from the profits in previous years.

The Law No. 7061 on the Amendment of Certain Tax Laws and Other Laws was published in the Official Gazette dated December 5, 2017 and numbered 30261. Article 89 of this Law amends Article 5 of the Corporate Tax Law titled "Exceptions". With subparagraph (a) of the first paragraph of the article, the 75% exemption applied to the profits of the institutions arising from the sale of real estates included in their assets for two full years was reduced to 50%. This regulation entered into force as of December 5, 2017.

There is no definitive and final reconciliation procedure regarding tax assessment in Turkey. Companies prepare their tax returns between April 1-30 of the year following the accounting closing period of the relevant year. These returns and the accounting records that form the basis for them may be reviewed and changed by the Tax Office within 5 years. As of January 1, 2025, certain conditions have been introduced for the corporate tax exemption to be applied to the earnings of REITs with Law No. 7524. Accordingly, if at least 50% of the earnings obtained from real estate are distributed as dividends, the tax rate applied to corporate earnings will be applied as 10%. For this reason, the tax rate of 30% valid for undistributed profits is used in the calculation of period taxes and deferred tax assets and liabilities. The corporate tax rate is applied to the tax base that will be found by adding expenses that are not accepted as deductions according to the tax laws to the commercial earnings of the companies and deducting the exemptions and discounts included in the tax laws.

Income Tax Withholding

In addition to corporate tax, income tax withholding must also be calculated on dividends, except for those distributed to full-fledged taxpayers who receive dividends and declare them by including them in corporate income, and to branches of foreign companies in Turkey. Income tax withholding was applied as 10% for all companies between April 24, 2003 and July 22, 2006. This rate has been applied as 15% since July 22, 2006, with the Council of Ministers Decision numbered 2006/10731. Dividends that are not distributed but added to the capital are not subject to income tax withholding.

A 19.8% withholding tax must be made on the investment discount amount used based on investment incentive certificates received before April 24, 2003. No withholding tax is made on investment expenditures without incentive certificates after this date.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

34. TAX ASSETS AND LIABILITIES (CONTINUED)

a) Corporate tax (continued)

Taxation of Activities of Foreign Subsidiaries

In the accompanying consolidated financial statements, the tax rate used in the calculation of corporate tax and deferred tax for subsidiaries, affiliates and joint operations abroad, which are consolidated using the equity share and full consolidation method, as of December 31, 2024, is 20%, 16%, 18% and 25% for companies in Russia, Romania, Ukraine and Spain, respectively, and 28% for companies in Kazakhstan.

The tax liability for the period profit is as follows (TL):

	31 December 2024	31 December 2023
Current period corporation tax ^(*)	499.450	732.506
Prepaid taxes and funds	(121.656)	(528.209)
Total	377.794	204.297

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

	31 December 2024	31 December 2023
Current period corporation tax ^(*)	(484.459)	(720.501)
Deferred tax income / (expense) (Note 34(b))	(143.800)	847.514
Total tax expense	(628.259)	127.013

^(*) The difference between foreign subsidiaries' current tax provision and current period corporate tax is the effect of currency translation differences.

As of 31 December 2024 and 2023, the reconciliation between the tax expense calculated by applying the legal tax rate on the profit before tax and the total tax provision stated in the consolidated statement of profit or loss and other comprehensive income is as follows (TL) :

	31 December 2024	31 December 2023
Profit/ (loss) before tax	2.720.783	9.845.325
Share of profits / (losses) of investments accounted by equity method	2.888.838	8.156.261
Profit/(loss) before tax (share of profits / (losses) of investments accounted by equity method excluded)	(168.055)	1.689.064
Local tax rate	%25	%25
Tax expense calculated by using the tax rate	(42.014)	422.266
Disallowable expenses and other additions	800.166	116.068
Tax-exempt earnings and other deductions	(151.461)	(815.452)
The effect of changes in tax rates	21.568	150.105
Total tax expense	628.259	(127.013)

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

34. TAX ASSETS AND LIABILITIES (CONTINUED)

b) Deferred tax assets and liabilities;

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its tax-based financial statements and its financial statements prepared in accordance with TFRS. These differences generally arise from the fact that some income and expense items are included in different periods in the tax-based financial statements and the financial statements prepared in accordance with TFRS, and these differences are specified below. The tax rate used in the calculation of deferred tax assets and liabilities was 25% based on temporary timing differences expected to reverse. The tax exemption granted to real estate investment trusts by Article 5, subparagraph d-4 of the Corporate Tax Law was made conditional on the distribution of at least 50% of the profits obtained from real estate through dividends as of January 1, 2025, by Law No. 7524 dated 2/8/2024. Since the profit distribution decision is under the authority of the general assembly, the tax rate used in the calculation of 2024 deferred tax assets and liabilities is 30%.

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	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Tax assets				
Tax losses of carry forward (*)	1.815.075	424.459	451.119	102.051
Cost of long term construction	25.133.760	27.393.581	6.272.461	6.848.395
Temporary differences on inventories	436.236	-	129.440	-
Provision for litigation expenses	82.629	65.395	20.657	16.349
Derivative instruments	-	7.657	-	1.914
Unused vacation provision	34.294	53.165	8.675	13.291
Termination indemnity	76.224	54.988	19.155	13.747
Difference between carrying value and tax bases of property, plant and equipment and intangible assets	13.264.024	1.552.629	3.940.822	388.066
Leases	112.503	97.646	28.126	24.411
Other	249.386	417.470	69.718	104.368
Total			10.940.173	7.512.592
Tax liabilities				
Temporary differences on inventory	-	(189.336)	-	(47.537)
Right of use asset	(254.319)	(162.584)	(67.050)	(40.646)
Cost of long term construction	(18.212.135)	(21.892.068)	(4.550.786)	(5.495.758)
Investment properties	(18.135.851)	(1.945.099)	(5.266.840)	(451.739)
Total			(9.884.676)	(6.035.680)
Net deferred tax liability			1.055.497	1.476.912
Deferred tax asset on financial position			2.324.300	2.137.626
Deferred tax liability on financial position			(1.268.803)	(660.714)
Net effect of deferred tax			1.055.497	1.476.912

(*) As of December 31, 2024, of the prior year and current period losses subject to deferred tax calculation, TL 67.941 belongs to energy group companies, TL 53.404 to contracting group companies, TL 420.581 to holding group companies, TL 54.658 to industry and trade group companies, and TL 1.218.491 to agriculture group companies. (As of December 31, 2023, of the prior year and current period losses subject to deferred tax calculation, TL 1.197 belongs to energy group companies, TL 81.412 to contracting group companies, TL 17.923 to holding group companies, and TL 323.927 to agriculture group companies.)

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

34. TAX ASSETS AND LIABILITIES (CONTINUED)**b) Deferred tax assets and liabilities (continued);**

Deferred tax income / (expense) (TL) :

	31 December 2024	31 December 2023
Prior period deferred tax liability	1.476.912	757.188
Deferred tax (expense) / income (Note 34(a))	(143.800)	847.514
Business combinations effect	(52.011)	(168.418)
Deferred tax expense accounted for in prior years' profit/ (loss)	(253.452)	-
Foreign currency translation differences	32.373	37.129
Actuarial deferred tax income / (expense)	(4.535)	3.499
Impact of tax rate change	10	-
Current period deferred tax liability (-)	1.055.497	1.476.912

35. EARNINGS / (LOSS) PER SHARE

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

	31 December 2024	31 December 2023
Parent company profit / (loss) for the period (TL)	1.757.270	9.565.558
Weighted average number of ordinary shares at the beginning of the period ^(*)	428.365	430.003
Earnings / (loss) per share		
Earnings / (loss) per parent company share (TL)	4,102	22,245

^(*) Per share of TL 1 nominal.

At the ordinary general assembly meeting of Alarko Holding A.Ş. held on May 27, 2024; after separating the non-controlling shares of TL 281.745 and the first legal reserve fund of TL 46.773 from the period profit of TL 6.907.066 in the consolidated financial statements for 2023, the remaining net period profit is TL 6.578.548 in accordance with the Capital Markets Legislation, the Company's Articles of Association and other legislation. It has been decided by majority vote that the portion of TL 978.141 (Gross), corresponding to 14,85% of the TL 6.582.930 formed by the addition of donations amounting to TL 4.382 to the net profit for the period, will be allocated as dividend to be distributed to the partners; the dividend advance of TL 556.800 (Gross) paid in cash in 2023 will be offset from the dividend to be distributed; the remaining portion of TL 421.341 (Gross) will be distributed to the partners as dividend in cash; the necessary tax withholding will be made on the dividend portion subject to withholding tax; the remaining amount will be added to the extraordinary reserve funds; and the dividend distribution will start on May 30, 2024. (The total value of the dividend advance of 556.800 TL brought to the purchasing power of 31 December 2024 is 1.006.669 TL.)

According to the attached consolidated financial statements of Alarko Group as of December 31, 2024, the Parent Company's net profit for the period is TL 1.757.270 and the total amount of other resources that may be subject to profit distribution is TL 49.814.573 (Note 26). According to the Parent Company's legal records as of December 31, 2024, the Parent Company's net profit for the period is TL 1.248.922 and the total amount of other resources in its legal records that may be subject to profit distribution is TL 387.027.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

36. RELATED PARTY DISCLOSURES

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

	31 December 2024	31 December 2023
Meram Elektrik Perakende Satış A.Ş. ⁽¹⁾	26.685	19.016
Alarko Carrier San. ve Tic. A.Ş. ⁽¹⁾	15.264	5.386
Cenal Elektrik Üretim A.Ş. ⁽¹⁾	8.399	3.703
Alcen Enerji Dağ. Ve Perak. Sat. Hizm. A.Ş. ⁽¹⁾	977	-
Meram Elektrik Enerjisi Toptan Satış A.Ş. ⁽¹⁾	4.907	3.085
Alarko Cengiz Metro Ortak Girişimi ⁽²⁾	4.112	5.275
Alarko-Makyol Adi Ortaklığı ⁽¹⁾	-	1
İpeks Jeotermal Enerji Tarım Sanayi Tic. A.Ş. ⁽¹⁾	286.472	-
Sanrose Tarım Sanayi ve Tic. A.Ş. ⁽¹⁾	50.943	-
Total (Note 8)	397.759	36.466

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

	31 December 2024	31 December 2023
Alarko Carrier San. ve Tic. A.Ş. ⁽¹⁾	902.941	1.780
Meram Elektrik Dağıtım A.Ş. ⁽¹⁾	65	157
Meram Elektrik Enerjisi Toptan Satış A.Ş. ⁽¹⁾	711	2.446
İpeks Jeotermal Enerji Tarım Sanayi Ticaret A.Ş. ⁽¹⁾	12.000	-
Total (Note 8)	915.717	4.383

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

	31 December 2024	31 December 2023
Alarko-Makyol Adi Ortaklığı ⁽¹⁾	1.846	1.220
Al-Riva Projesi Ar.Değ.Konut İnş. Tic. A.Ş. ⁽³⁾	71	2
Al-Riva Arazi Değer.Konut İnş.ve Tic. A.Ş. ⁽³⁾	36	1
Al-Riva Ar.Değ.Kon. İnş. Tur. Tes. Golf A.Ş. ⁽³⁾	114	3
İpeks Jeotermal Enerji Tarım Sanayi Ticaret A.Ş. ⁽¹⁾	61	-
Sanrose Tarım Sanayi ve Ticaret A.Ş. ⁽¹⁾	29.572	-
Total (Note 9)	31.700	1.226

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

	31 December 2024	31 December 2023
Al-Riva Projesi Ar.Değ.Konut İnş. Tic. A.Ş. ⁽³⁾	161.564	113.750
Al-Riva Arazi Değer.Konut İnş.ve Tic. A.Ş. ⁽³⁾	20.764	17.228
Al-Riva Ar.Değ.Kon. İnş. Tur. Tes. Golf A.Ş. ⁽³⁾	5.041	4.075
Total (Note 9)	187.369	135.053

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

36. RELATED PARTY DISCLOSURES (CONTINUED)

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

	31 December 2024	31 December 2023
Alcen Enerji Dağ.ve Perak.Sat. Hizm.A.Ş. ⁽¹⁾	6.745.690	6.239.803
Total (Note 9)	6.745.690	6.239.803

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

As of 31 December 2024	Rent	Service	Trade good	Maturity difference	Other	Total
Al-Riva Projesi Ar.Değ. Konut Ins.Tic.A.Ş. ⁽³⁾	74	39	-	46.221	-	46.334
Al-Riva Arazi Değ. Konut Ins.ve Tic.A.Ş. ⁽³⁾	5	18	-	4.974	-	4.997
Al-Riva Ar.Değ.Kon.Inş.Tur.Tes.Golf A.Ş. ⁽³⁾	5	57	-	1.195	-	1.257
Alarko Carrier San. ve Tic. A.Ş. ⁽¹⁾	2.676	26.146	-	-	-	28.822
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. ⁽¹⁾	4	562	-	-	-	566
Meram Elektrik Enerjisi Toptan Satış A.Ş. ⁽¹⁾	4	23.465	6.804	-	-	30.273
Cenal Elektrik Üretim A.Ş. ⁽¹⁾	4	35.842	-	-	-	35.846
Meram Elektrik Perakende Satış A.Ş. ⁽¹⁾	-	119.475	-	-	-	119.475
Sanrose Tarım Sanayi ve Ticaret A.Ş. ⁽¹⁾	6	857	2.375	2.423	-	5.661
İpeks Jeotermal Enerji Tarım Sanayi Ticaret A.Ş. ⁽¹⁾	-	67	97.820	545	-	98.432
Alarko Cengiz Metro Ortak Girişimi ⁽²⁾	-	306	-	-	-	306
Total	2.778	206.834	106.999	55.358	-	371.969

As of 31 December 2023	Rent	Service	Trade good	Maturity difference	Other	Total
Al-Riva Projesi Ar.Değ. Konut Ins.Tic.A.Ş. ⁽³⁾	4	3	-	17.993	-	18.000
Al-Riva Arazi Değ. Konut Ins.ve Tic.A.Ş. ⁽³⁾	4	1	-	2.511	-	2.516
Al-Riva Ar.Değ.Kon.Inş.Tur.Tes.Golf A.Ş. ⁽³⁾	4	4	-	591	-	599
Alarko Carrier San. ve Tic. A.Ş. ⁽¹⁾	808	24.910	3	-	2.568	28.289
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. ⁽¹⁾	3	29	-	-	-	32
Alarko-Makyol Adi Ortaklığı ⁽¹⁾	-	11	-	-	-	11
Meram Elektrik Enerjisi Toptan Satış A.Ş. ⁽¹⁾	3	15.910	9.584	-	-	25.497
Cenal Elektrik Üretim A.Ş. ⁽¹⁾	3	18.102	-	-	-	18.105
Meram Elektrik Perakende Satış A.Ş. ⁽¹⁾	-	86.855	-	-	-	86.855
Alhan Holding A.Ş. ⁽⁴⁾	7	-	-	-	-	7
Bükreş Uluslararası Havalimanı Demiryolu Bağlantısı 6.metro ⁽²⁾	-	-	139.466	-	-	139.466
Alarko Cengiz Metro Ortak Girişimi ⁽²⁾	-	305	-	-	-	305
Total	836	146.130	149.053	21.095	2.568	319.682

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

36. RELATED PARTY DISCLOSURES (CONTINUED)

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

As of 31 December 2024	Rent	Service	Trade good	Maturity difference	Other	Total
Alarko Carrier San. ve Tic. A.Ş. ⁽¹⁾	350	505	8.828	-	518.958	528.641
Meram Elektrik Dağıtım A.Ş. ⁽¹⁾	-	-	-	-	188	188
Meram Elektrik Enerjisi Toptan Satış A.Ş. ⁽¹⁾	-	9.454	10.541	-	-	19.995
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. ⁽¹⁾	-	-	-	1.558.714	-	1.558.714
Sanrose Tarım Sanayi ve Tic. A.Ş. ⁽¹⁾	-	-	23.445	-	-	23.445
	-	-	-	-	45.925	45.925
Total	350	9.959	42.814	1.558.714	519.146	2.130.983

As of 31 December 2023	Rent	Service	Trade good	Maturity difference	Other	Total
Alarko Carrier San. ve Tic. A.Ş. ⁽¹⁾	336	1.160	43.072	-	111	44.679
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. ⁽¹⁾	-	-	-	718.479	5	718.484
Alarko-Makyol Adi Ortaklığı ⁽¹⁾	-	9	-	-	-	9
Meram Elektrik Dağıtım A.Ş. ⁽¹⁾	-	-	-	-	138	138
Meram Elektrik Enerjisi Toptan Satış A.Ş. ⁽¹⁾	-	11.227	21.624	-	-	32.851
Alarko Cengiz Metro Ortak Girişimi ⁽²⁾	-	-	-	-	66	66
Total	336	12.396	64.696	718.479	320	796.227

⁽¹⁾ Jointly controlled entity

⁽²⁾ Joint operation

⁽³⁾ Affiliate

⁽⁴⁾ Parent company's shareholder

As of 31 December 2024, remuneration provided to top executives such as the General Manager, Assistant General Manager and members of the Board of Directors amount to TL 562.886 (31 December 2023 – TL 614.268). The entire amount consists of short term benefits.

As of 31 December 2024, the guarantees, mortgages, and sureties received from Group companies amount to TL 12.244.106 (31 December 2023 – TL 3.841.582). As of 31 December 2024 the guarantees, mortgages, and sureties given to Group companies amount to TL 19.777.751 (31 December 2023 – TL 9.957.448)

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

37. NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

i. Credit risk

Credit risks incurred by type of financial instruments are as follows (TL) :

31 December 2024	Trade receivables		Other receivables		Banks	Other (*)
	Related party	Third party	Related party	Third party		
Maximum credit risk incurred as of the reporting date (A+B+C+D+E)**)						
- Part of the maximum risk covered by collaterals	397.759	1.480.738	219.069	44.656	5.004.458	11.135.459
	-	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired (Note 5, 8 and 9)	397.759	1.477.450	31.700	43.658	5.004.458	11.135.459
B. Book value of financial assets with conditions revised which otherwise would be considered as overdue or impaired	-	-	-	-	-	-
C. Net book value of overdue assets that are not impaired (Note 8)	-	3.288	187.369	998	-	-
- Portion covered by collaterals	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	19.633	-	-	-	-
- Impairment (-) (Note 8)	-	(19.633)	-	-	-	-
- Part of net value covered by collaterals	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-) (Note 8)	-	-	-	-	-	-
- Part of net value covered by collaterals	-	-	-	-	-	-
E. Derecognized elements involving credit risk (***)	-	-	-	-	-	-

(*) Consists of the sum of cheques received, other liquid assets, financial assets held for trading in cash and cash equivalents, short term financial assets, long-term public sector notes, promissory notes and bonds.

(**) In determining the amount of credit risk to be incurred, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.

(***) The related amounts consist of guarantees and sureties given.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

i. Credit Risk (continued)

Credit risks incurred by type of financial instruments are as follows (TL) :

31 December 2023	Trade receivables			Other receivables			Other (*)
	Related party	Third party	Related party	Third party	Related party	Third party	
Maximum credit risk incurred as of the reporting date (A+B+C+D+E) (**) (Note 5, 8 and 9)	36.466	4.192.378	136.279	32.465	4.391.330	11.322.859	-
- Part of the maximum risk covered by collaterals	-	-	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired (Note 5, 8 and 9)	36.466	4.177.415	1.226	32.465	4.391.330	11.322.859	-
B. Book value of financial assets with conditions revised which otherwise would be considered as overdue or impaired	-	-	-	-	-	-	-
C. Net book value of overdue assets that are not impaired (Note 8)	-	14.963	135.053	-	-	-	-
- Portion covered by collaterals	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Overdue (gross book value)	-	27.398	-	-	-	-	-
- Impairment (-) (Note 8)	-	(27.398)	-	-	-	-	-
- Part of net value covered by collaterals	-	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-) (Note 8)	-	-	-	-	-	-	-
- Part of net value covered by collaterals	-	-	-	-	-	-	-
E. Derecognized elements involving credit risk (***)	-	-	-	-	-	-	-

(*) Consists of the sum of cheques received, other liquid assets, financial assets held for trading in cash and cash equivalents, short term financial assets, long-term public sector notes, promissory notes and bonds.

(**) In determining the amount of credit risk to be incurred, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.

(***) The related amounts consist of guarantees and sureties given.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

i. Credit Risk (continued)

Distribution of net book values by maturity of the overdue assets that are not impaired is as follows (TL):

31 December 2024	Trade receivables		Other receivables	
	Related party	Third party	Related party	Third party
1-30 days past due ^(*)	-	3.070	-	-
1-3 months past due	-	184	-	-
3-12 months past due	-	34	-	-
1-5 years past due	-	-	-	364
More than 5 years past due ^(***)	-	-	187.369	634
Total	-	3.288	187.369	998
Portion covered by collaterals	-	-	-	-

31 December 2023	Trade receivables		Other receivables	
	Related party	Related party	Related party	Related party
1-30 days past due	-	13.459	-	-
1-3 months past due	-	411	-	-
3-12 months past due	-	1.093	-	-
1-5 years past due ^(**)	-	-	-	-
More than 5 years past due ^(***)	-	-	135.053	-
Total	-	14.963	135.053	-
Portion covered by collaterals	-	-	-	-

The credit risk of Alarko Group may arise basically from its trade receivables. The Group management evaluates trade receivables taking into consideration the collaterals received, past experience, and current economic outlook; and states them as net in the statement of financial position after making provisions for doubtful receivables when deemed necessary. The Group has made provisions for doubtful receivables formed until the reporting date.

^(*) Other receivables that are more than 5 years past due consist of Al-Riva Project, Land Value Housing Construction and Trade Inc., Al-Riva Land Value Housing Construction and Trade Inc., Al-Riva Land Value Housing Construction, Tour. Facilities Golf Business and Trade Inc. receivables.

ii. Liquidity risk

Holding financial instruments may lead to failure of the counterparty to fulfill the terms and conditions of the agreement. The Group management takes measures to prevent such risks through limiting the average risk for the counterparty (except for the related parties) at each agreement, and receiving collaterals if necessary.

The Group creates funds by converting its short-term financial instruments, such as trade receivables, into cash. The portion of the Group's liquid assets (current assets – inventories) exceeding its short-term liabilities is (1.007.395) TL as of 31 December 2024 and 2.072.745 TL as of 31 December 2023.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

ii. Liquidity risk (continued)

31 December 2024							
Maturities per contract	Book value	Total cash outflows per contract (I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Eliminations and adjustments (V)
Non-derivative financial liabilities							
Lease liabilities (Note 7)	119.254	460.642	27.873	23.854	88.753	320.162	-
Bank loans (Note 7)	15.509.526	17.213.018	2.356.522	5.996.731	8.510.269	349.496	-
Trade payables (Note 8)	521.160	525.799	1.744.491	1.042.341	-	-	(2.261.033)
Other payables (Note 9)	7.591.522	7.591.522	7.354.057	126.474	725.909	660	(615.578)
Expected maturities	Book value	Expected cash outflows (I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Eliminations and adjustments (V)
Non-derivative financial liabilities							
Trade payables (Note 8)	2.024.625	2.042.653	1.003.945	9.822.489	-	-	(8.783.781)
Other payables (Note 9)	295.637	295.637	391.975	48.037	45	-	(144.420)
31 December 2023							
Maturities per contract	Book value	Total cash outflows per contract (I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Eliminations and adjustments (V)
Non-derivative financial liabilities							
Lease liabilities (Note 7)	108.885	254.074	10.477	22.277	76.127	145.193	-
Bank loans (Note 7)	8.103.068	9.480.310	552.971	6.988.322	1.208.084	730.933	-
Trade payables (Note 8)	1.354.334	1.358.758	2.859.463	765.671	2.046.026	-	(4.312.402)
Other payables (Note 9)	7.121.174	7.121.174	8.671.959	17.960	845.951	-	(2.414.696)
Expected maturities	Book value	Expected cash outflows (I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Eliminations and adjustments (V)
Non-derivative financial liabilities							
Trade payables (Note 8)	1.452.516	1.457.261	266.167	5.816.119	-	-	(4.625.025)
Other payables (Note 9)	155.596	155.596	108.371	47.225	-	-	-

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

iii. Interest risk

Interest risk arises from the probability of interest rate changes to affect financial statements. The loan agreements made by the Group are denominated in USD, TL and Euro with fixed interest rates, and their average maturities vary between 1 months and 10 years. As the payments are denominated in foreign currency, it is assumed that the interest rate will not be subject to material changes during the maturity period; hence, the interest rate risk is regarded immaterial.

	31 December 2024	31 December 2023
Financial instruments with fixed interest		
Financial assets		
Time deposits (Note 5)	2.043.329	4.281.097
Currency protected deposit account (Note 6)	430.720	2.680.055
Assets of which the fair value differences are reflected to profit/loss (Note 6)	4.477.399	5.971.542
Assets Measured at Amortized Cost	-	714.147
Financial liabilities (Note 7) (*)	12.754.959	4.904.155
	31 December 2024	31 December 2023
Financial instruments with variable interest		
Financial liabilities (Note 7)	2.873.821	3.307.798
Investment funds (Note 5)	3.624.482	312.701

(*) Financial liabilities stated under financial instruments with fixed interests consist of short and long term bank loans, other financial liabilities and lease obligations.

By 31 December 2024, if interest rates on foreign currency borrowings with floating interest rates had increased/decreased by 0,5% and interest rates on TL borrowings had increased/decreased by 0,5% with all other variables held constant, profit/(loss) before tax would have decreased/increased by TL 838 as a result of the change in interest expense (31 December 2023 – 1.158 TL).

iv. Foreign currency risk

Balances of foreign currency transactions of Alarko Group originating from operating, investing, and financing activities as of the reporting date are stated below. In relation to the foreign currency receivables and payables, the Group may be exposed to foreign currency risk in parallel with the exchange rate fluctuations. The foreign currency risk is controlled through continuous analysis and monitoring of the foreign exchange position.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

iv. Foreign currency risk (continued)

As of 31 December 2024, the foreign currency assets and liabilities of the Group consist of the following (TL):

Foreign currency position table					
31 December 2024					
	TL Equivalent (Functional currency)	USD	EURO	GBP	Other
1. Trade receivables	2.135.919	13.468	38.502	-	33.551
2a. Monetary financial assets (Incl. Cash and Banks)	4.800.904	80.097	53.735	20	18
2b. Non-monetary financial assets	121.306	3.381	55	-	-
3. Other	308	-	8	-	-
4. Current assets (1+2+3)	7.058.437	96.946	92.300	20	33.569
5. Trade receivables	165	-	5	-	-
6a. Monetary financial assets	2.624.887	74.401	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	2.625.052	74.401	5	-	-
9. Total assets (4+8)	9.683.489	171.347	92.305	20	33.569
10. Trade payables	2.321.156	8.858	52.501	14	10.119
11. Financial liabilities	7.575.765	24.777	182.055	-	-
12.a Other monetary liabilities	6.401	-	174	-	-
12.b Other non-monetary liabilities	253.787	506	5.899	422	-
13. Short term liabilities (10+11+12)	10.157.109	34.141	240.629	436	10.119
14. Trade payables	-	-	-	-	-
15. Financial liabilities	7.120.940	-	193.491	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Long term liabilities (14+15+16)	7.120.940	-	193.491	-	-
18. Total liabilities (13+17)	17.278.049	34.141	434.120	436	10.119
19. Net foreign currency asset / (liability) position (9-18)	(7.594.560)	137.206	(341.815)	(416)	23.450
20. Monetary items net foreign currency asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	(7.462.387)	134.331	(335.979)	6	23.450
21. Exports (*)	167.040	1	3.868	-	-
22. Imports (*)	704.501	8.618	10.389	176	38.500

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

iv. Foreign currency risk (continued)

As of 31 December 2023, the foreign currency assets and liabilities of the Group consist of the following (TL):

Foreign currency position table					
31 December 2023					
	TL Equivalent (Functional currency)	USD	EURO	GBP	Other
1. Trade receivables	706.439	7.865	1.204	3	33.551
2a. Monetary financial assets (Incl. Cash and Banks)	7.352.402	158.203	11.766	1.384	19
2b. Non-monetary financial assets	47.554	1.119	-	-	-
3. Other	697	7	9	-	-
4. Current assets (1+2+3)	8.107.092	167.194	12.979	1.387	33.570
5. Trade receivables	212	-	5	-	-
6a. Monetary financial assets	1.671.132	39.318	-	-	-
6b. Non-monetary financial assets	2	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	1.671.346	39.318	5	-	-
9. Total assets (4+8)	9.778.438	206.512	12.984	1.387	33.570
10. Trade payables	558.800	1.991	7.999	14	10.119
11. Financial liabilities	6.804.131	26.092	120.837	-	-
12.a Other monetary liabilities	131	3	-	-	-
12.b Other non-monetary liabilities	355.755	491	6.184	801	-
13. Short term liabilities (10+11+12)	7.718.817	28.577	135.020	815	10.119
14. Trade payables	-	-	-	-	-
15. Financial liabilities	7.487	-	159	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Long term liabilities (14+15+16)	7.487	-	159	-	-
18. Total liabilities (13+17)	7.726.304	28.577	135.179	815	10.119
19. Net foreign currency asset / (liability) position (9-18)	2.052.134	177.935	(122.195)	572	23.451
20. Monetary items net foreign currency asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	2.359.636	177.300	(116.020)	1.373	23.451
21. Exports (*)	423.885	6	9.064	-	-
22. Imports (*)	47.402	599	450	167	-

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

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

iv. Foreign currency risk (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 interrially to key management personal and represent management's assesment of the possible change in the foreign exchange rates.

As of 31 December 2024 and 2023, the currency risk analysis of Alarko Group is as follows (TL):

Foreign currency sensitivity analysis chart				
31 December 2024				
	Profit / Loss		Equity	
	Value increase in foreign currency	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	483.849	(483.849)	-	-
2- Hedged from USD risk (-)	-	-	-	-
3- USD Net Effect (1+2)	483.849	(483.849)	-	-
When Euro changes by 10% against TL				
4- Net Assets/ Liabilities in Euro	(1.258.575)	1.258.575	-	-
5- Hedged from Euro risk(-)	-	-	-	-
6- Euro Net Effect (4+5)	(1.258.575)	1.258.575	-	-
When GBP changes by 10% against TL				
7- Net Assets/ Liabilities in GBP	(1.851)	1.851	-	-
8- Hedged from GBP risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	(1.851)	1.851	-	-
When other foreign currencies changes by 10% against TL				
10- Net Assets/ Liabilities in other currencies	17.123	(17.123)	-	-
11- Hedged from other currency risks(-)	-	-	-	-
12- Net Effect of Other Currencies (10+11)	17.123	(17.123)	-	-
Total (3+6+9+12)	(759.456)	759.456		

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

iv. Foreign currency risk (continued)

Foreign currency sensitivity analysis chart				
31 December 2023				
	Profit / Loss		Equity	
	Value increase in foreign currency	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	756.056	(756.056)	-	-
2- Hedged from USD risk (-)	-	-	-	-
3- USD Net Effect (1+2)	756.056	(756.056)	-	-
When Euro changes by 10% against TL				
4- Net Assets/ Liabilities in Euro	(575.831)	575.831	-	-
5- Hedged from Euro risk(-)	-	-	-	-
6- Euro Net Effect (4+5)	(575.831)	575.831	-	-
When GBP changes by 10% against TL				
7- Net Assets/ Liabilities in GBP	3.067	(3.067)	-	-
8- Hedged from GBP risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	3.067	(3.067)	-	-
When other foreign currencies changes by 10% against TL				
10- Net Assets/ Liabilities in other currencies	21.921	(21.921)	-	-
11- Hedged from other currency risks(-)	-	-	-	-
12- Net Effect of Other Currencies (10+11)	21.921	(21.921)	-	-
Total (3+6+9+12)	205.213	(205.213)		

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

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

v. Capital risk management

For proper management of capital risk, the Group aims;

- To maintain continuity of operations so as to provide earnings to partners and benefits to other shareholders.
- To increase profitability through determining a service pricing policy that is commensurate with the level of risks inherent in the market.

The Group determines the amount of share capital in proportion to the risk level. The equity structure of the Group is arranged in accordance with the economic outlook and the risk attributes of assets.

The Group monitors capital management by using the debt/equity ratio. This ratio is calculated by dividing the debt, net, by the total share capital. The net debt is calculated by deducting the value of cash and cash equivalents from the total debt (the sum of short and long term liabilities stated in the statement of financial position). The total share capital is the sum of all equity items stated in the statement of financial position.

The Group's general strategy has not changed with respect to last year. As of 31 December 2024 and 2023, the ratios of the total share capital to total net liabilities are as follows (TL):

	31 December 2024	31 December 2023
Total debt	29.234.474	22.251.009
Less: cash and cash equivalents	(8.736.474)	(4.726.769)
Net debt	20.498.000	17.524.240
Total capital	64.702.580	63.450.636
Debt / equity ratio	32%	28%

38. AUDIT FEES

As of December 31, 2024 and 2023, the services and related fees received by the Company from the independent audit firm are as follows:

	31 December 2024	31 December 2023
Independent audit fee for the reporting period ^(*)	18.092	15.146
Fee for other assurance services	87	77
Fee for tax consultancy services	-	-
Fees for other non-audit services	-	-
Total	18.179	15.223

^(*) Foreign currency fees of foreign subsidiaries have been converted into TL using the annual average rates of the relevant years.

ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of TL, based on the purchasing power of one thousand Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated. Currencies other than TL are expressed in thousands unless otherwise stated.)

39. SUBSEQUENT EVENTS

- a) It was announced to the public on February 19, 2025, by the Alarko Tarım Sanayi ve Ticaret Anonim Şirket, one of the subsidiaries, that a joint stock company with a capital of 250.000 (Full TL) was established to operate in the agricultural and greenhouse sector and that a decision was made to participate in the said company with 250.000 (Full TL). The said company was established with the title of "Seraverde Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirket". This matter was registered by the Istanbul Trade Registry Directorate and announced in the Turkish Trade Registry Gazette on February 24, 2025.
- b) It was announced to the public on 27 November 2024 by the Board of Directors of Alfor Aviation and Technical Services Limited, one of the Subsidiaries; that a joint stock company with a capital of 18.000.000 (Full TL) was established to operate in the aviation sector and that a participation of 18.000.000 (Full TL) was made to the said company. The said company was established with the title of "Alfor Havacılık ve Teknik Hizmetler Anonim Şirket". This matter was registered by the Istanbul Trade Registry Directorate and announced in the Turkish Trade Registry Gazette on 24 February 2025.
- c) Within the scope of the share buyback transactions initiated by the decision of the Board of Directors of Alarko Holding A.Ş. dated 29 May 2024; 17.818.715 (Full TL) worth of ALARK shares corresponding to a total of 1.242.657 shares were bought back between 30 December 2024 and 8 January 2025. With this transaction, the ALARK shares owned by Alarko Holding A.Ş. reached 9.950.000 and the ratio of these shares to the capital is 2,287%. The share buyback transaction was completed as of 8 January 2025.

Conclusion

Distinguished Shareholders,

We have prepared our annual report in order to present all the activities of our Company for 2024 and its plans for the future in more detail. 2024 has been a year in which we continue to create value for our country with the meaningful contributions of our employees. In 2025, thanks to our flexible and competitive organizational structure, we will continue to move forward on the path of sustainable growth. We wish you and all our employees health, peace and success in 2025.

Board of Directors

Contact

ALARKO HEADQUARTERS

Muallim Naci Cad. No: 69
34347 Ortaköy, İstanbul
Tel: +90 212 310 33 00/Pbx
Fax: +90 212 260 71 78 - 227 04 27
web: www.alarko.com.tr
e-mail: info@alarko.com.tr
Trade Registration No.: İstanbul, 118376
Central Registration System Number: 0048 0036 1010 0025

ANKARA OFFICE

Sedat Simavi Sokak. No: 48
06550 Çankaya - ANKARA
Tel: +90 312 409 52 00/Pbx
Fax: +90 312 440 79 30

İZMİR OFFICE

Akdeniz Mah. Şehit Fethi Bey Cad. No: 55/13
35210 Konak - İZMİR
Tel: +90 232 483 25 60/Pbx
Fax: +90 232 441 55 13

ADANA OFFICE

Ziyapaşa Bulvarı Çelik Apt. No: 19/5-6
Kat: 1 01130 ADANA
Tel: +90 322 457 62 23/Pbx
Fax: +90 322 453 05 84

ANTALYA OFFICE

Mehmetçik Mah. Aspendos Bulvarı
No: 79/E 07300 ANTALYA
Tel: +90 242 322 00 29 - 322 66 64/Pbx
Fax: +90 242 322 87 66

