

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

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2023 WITH INDEPENDENT  
AUDITORS' REPORT

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

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**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 2023, 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 at 31 December 2023, 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
<p><b>Revenue Recognition</b></p> <p>The Group generates its revenues from its operations in construction and contracting with industry, trade, energy, tourism and agriculture sectors.</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>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> <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>Our audit procedures performed with regard to recognition of revenue are as follows:</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> <ul style="list-style-type: none"> <li>- The revenue is analytically tested.</li> <li>- Revenue was tested on a sample basis on invoices.</li> <li>- 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.</li> <li>- 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.</li> <li>- It were tested by sending related parties and third parties confirmation letters through sampling.</li> <li>- Post-balance sheet period collections were inspected to measure reliably that receivables are collectible.</li> <li>- 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.</li> </ul> <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
<b>Determination of Fair Value of Investment Properties</b>	
<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"><li>- The licenses, competencies and independence of the appraisers appointed by the Group Management have been evaluated.</li><li>- Appraiser expert has evaluated whether the valuation methods, estimations and assumptions used by the valuation companies in the valuation reports are reasonable.</li><li>- Discussions were held with the Group Management and department manager.</li><li>- 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.</li></ul> <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>



Key Audit Matters	How The Matter was Handled During the Audit
<b>Application of TAS 29, “Financial Reporting in Hyperinflationary Economies”</b>	
<p>The Group’s has started to apply “TAS 29 Financial reporting in Hyperinflation Economies” since the functional currency of the Company is Turkish Lira which is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2023.</p> <p>In accordance with the TAS 29, the Group has used the Turkish Consumer Price Index, in order to prepare its inflation-sensitive consolidated financial statements. The implementation of the TAS 29 has a significant impact on the consolidated financial statements on a widespread and consistent basis. The preparation of the consolidated financial statements according to the current purchasing power requires complex procedures and processes, in order to obtain the accurate results thereto.</p> <p>The implementation of the TAS 29 was identified as a key audit matter because of the estimates involved in restating many of the accounts and current period transactions in the consolidated statement of financial position, the complexity of the calculation and the risk that the data used in the restatement may be incomplete or inaccurate.</p> <p>The Group’s accounting policies and related explanations regarding the application of TAS 29 are disclosed in Note 2.1.</p>	<p>We have performed the following audit procedures related to the implementation of the TAS 29 “Financial Reporting in Hyperinflationary Economies”:</p> <ul style="list-style-type: none"> <li>- We have discussed the Group’s current processes and accounting policies with the management, and we have understood and evaluated the principles and controls designed and implemented by the management during the implementation of the TAS 29.</li> <li>- The general price index rates used in the calculations within the scope of the implementation of the TAS 29 have been checked with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute.</li> <li>- It was checked whether or not the monetary and non-monetary items were correctly identified.</li> <li>- We have tested the mathematical accuracy of the calculations for the effects of inflation in the restatement of the statement of consolidated financial position, statement of profit or loss and other comprehensive income and statement of cash flows.</li> <li>- We have assessed the adequacy of the disclosures in the notes to the consolidated financial statements of the implementation of the TAS 29 in accordance with the TFRS.</li> </ul> <p>As a result of these audit works performed on the implementation of the TAS 29 “Financial Reporting in Hyperinflationary Economies”, we have not determined 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 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 2023 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 18 April 2024.

The name of the engagement partner who supervised and concluded this audit is Taceddin Yazar.

İstanbul,  
18 April 2024

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

Taceddin Yazar, SMMM  
Partner in charge



**ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES****AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2023**

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

**ASSETS**

		<b>Current period</b>	<b>Prior period</b>
		<b>Audited</b>	<b>Audited</b>
	<b>Notes</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Current assets</b>		<b>15.705.122.361</b>	<b>14.786.673.218</b>
Cash and cash equivalents	5	<b>3.273.867.142</b>	8.385.259.840
Financial investments	6	<b>6.452.864.266</b>	1.188.543.574
Trade receivables		<b>2.928.846.229</b>	2.679.146.138
-Trade receivables from related parties	8, 35	<b>25.257.261</b>	19.877.908
-Trade receivables from other parties	8	<b>2.903.588.968</b>	2.659.268.230
Other receivables		<b>20.048.118</b>	18.700.262
-Other receivables from related parties	9, 35	<b>849.484</b>	2.096.973
-Other receivables from other parties	9	<b>19.198.634</b>	16.603.289
Assets arising from customer contracts		<b>366.943.071</b>	24.404.359
-Contract assets from ongoing construction and contracting works and commitments	12	<b>366.822.075</b>	24.404.359
-Contract assets arising from sales of goods and services	12	<b>120.996</b>	-
Derivative financial instruments	13	-	10.512.951
Inventories	10	<b>1.104.059.909</b>	1.573.259.909
Prepaid expenses	11	<b>820.803.583</b>	636.857.080
Current income tax assets		<b>80.317.990</b>	82.444.964
Other current assets	25	<b>641.765.672</b>	156.033.492
<b>Sub total</b>		<b>15.689.515.980</b>	<b>14.755.162.569</b>
Non-current assets held for sale	17	<b>15.606.381</b>	31.510.649
<b>Non-current assets</b>		<b>43.653.775.781</b>	<b>37.045.250.757</b>
Financial investments	6	<b>1.755.885.048</b>	1.436.505.725
Trade receivables		<b>146.583</b>	147.813
-Trade receivables from other parties	8	<b>146.583</b>	147.813
Other receivables		<b>96.828.123</b>	111.751.894
-Other receivables from related parties	9, 35	<b>93.540.684</b>	110.063.815
-Other receivables from other parties	9	<b>3.287.439</b>	1.688.079
Investments accounted by equity method	15	<b>28.612.552.059</b>	26.715.005.896
Investment properties	16	<b>2.898.139.562</b>	2.587.246.164
Property, plant and equipments	18	<b>6.581.264.937</b>	4.052.767.733
Right of use assets	20	<b>589.682.288</b>	508.431.528
Intangible assets		<b>946.068.136</b>	468.537.447
-Goodwill	21	<b>450.205.491</b>	28.536.270
-Other intangible assets	19	<b>495.862.645</b>	440.001.177
Prepaid expenses	11	<b>564.612.698</b>	35.832.061
Deferred tax asset	33	<b>1.480.568.172</b>	923.772.981
Other non-current assets	25	<b>128.028.175</b>	205.251.515
<b>Total assets</b>		<b>59.358.898.142</b>	<b>51.831.923.975</b>

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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### LIABILITIES

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2023	31 December 2022
<b>Current liabilities</b>		<b>13.165.434.202</b>	<b>12.322.880.517</b>
Short term financial liabilities	7	4.957.651.447	2.492.907.576
Short term portion of long term financial liabilities	7	158.373.468	67.443.785
Trade payables		1.944.087.983	1.760.666.838
- Trade payables to related parties	8, 35	3.035.769	5.589.007
- Trade payables to third parties	8	1.941.052.214	1.755.077.831
Payables related to employee benefits	24	84.357.945	59.452.321
Other payables		4.454.130.170	5.267.474.376
-Other payables to related parties	9, 35	4.321.828.294	5.089.651.175
- Other payables to third parties	9	132.301.876	177.823.201
Liabilities arising from customer contracts		778.969.596	1.333.019.175
- Contract liabilities arising from ongoing construction and commitments	12	767.394.215	1.314.625.228
-Contract liabilities arising from sales of goods and services	12	11.575.381	18.393.947
Derivative financial instruments	13	5.303.193	-
Deferred income (Except for obligations arising from customer contracts)	14	595.759.958	1.165.731.083
Current income tax liabilities	33	141.500.781	111.556.771
Short-term provisions		45.294.028	64.622.202
-Other short term provisions	22	45.294.028	64.622.202
Other current liabilities	25	5.633	6.390
<b>Non-current liabilities</b>		<b>2.246.120.153</b>	<b>1.820.669.399</b>
Long-term financial liabilities	7	571.759.180	231.898.067
Other payables		585.924.855	524.752.490
-Other payables to third parties	9	585.924.855	524.752.490
Liabilities arising from customer contracts		143.422.061	167.167.623
- Contract liabilities arising from ongoing construction and commitments	12	143.003.575	167.093.506
-Contract liabilities arising from sales of goods and services	12	418.486	74.117
Investments accounted by equity method liabilities	15	27.895.098	138.222.369
Deferred income (Except for obligations arising from customer contracts)	14	341.318.046	229.986.795
Long-term provisions		118.175.613	129.314.282
- Long-term provisions related to employee benefit obligations	24	118.175.613	129.314.282
Deferred tax liabilities	33	457.625.300	399.327.773
<b>Equity</b>		<b>43.947.343.787</b>	<b>37.688.374.059</b>
<b>Attributable to equity holders of the parents</b>		<b>40.999.003.553</b>	<b>35.004.659.540</b>
Paid-in share capital	26	435.000.000	435.000.000
Inflation adjustment on capital	26	3.839.581.834	3.839.581.834
Repurchased shares (-)	26	(601.896.460)	(289.076.499)
Cross shareholding adjustment (-)	26	(1.535.883)	(1.535.883)
Other comprehensive income / (expense)			
not to be reclassified to profit or loss		(76.095.218)	(104.207.207)
- Revaluation and measurement gain / (loss)		(76.095.218)	(104.207.207)
Actuarial gain / (loss) arising from defined benefit plans		(76.095.218)	(104.207.207)
Other comprehensive income / (expenses)			
to be reclassified to profit or loss		1.990.168.168	1.425.832.346
- Foreign currency translation differences		1.994.294.486	1.429.664.509
-Revaluation and reclassification gain / (loss)		(4.126.318)	(3.832.163)
Gains / (losses) from financial assets at fair value through other comprehensive income		(4.126.318)	(3.832.163)
Restricted reserves	26	791.982.432	470.642.952
Dividend advances paid (-)		(686.681.862)	-
Retained earnings or accumulated losses	26	28.683.159.382	12.522.197.296
Net profit or loss for the period		6.625.321.160	16.706.224.701
<b>Non-controlling interest</b>	26	<b>2.948.340.234</b>	<b>2.683.714.519</b>
<b>Total liabilities</b>		<b>59.358.898.142</b>	<b>51.831.923.975</b>

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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

		Current period	Prior period
		Audited	Audited
	Notes	1 January 31 December 2023	1 January 31 December 2022
<b>PROFIT OR LOSS</b>			
Revenue	27	8.296.228.097	12.271.876.777
Cost of sales (-)	27	(7.608.084.870)	(10.611.929.198)
<b>Gross profit</b>		<b>688.143.227</b>	<b>1.659.947.579</b>
General administrative expenses (-)	28	(968.433.843)	(773.004.070)
Marketing expenses (-)	28	(84.348.165)	(57.943.956)
Research and development expenses (-)		(237.289)	-
Other income from operating activities	30	4.253.772.683	2.288.664.055
Other expenses from operating activities (-)	30	(1.232.526.474)	(1.124.790.099)
<b>Operating profit / (loss)</b>		<b>2.656.370.139</b>	<b>1.992.873.509</b>
Income from investing activities			
Expenses from investing activities (-)	31	1.813.595.261	1.095.643.645
Share of profits / (losses) of investments accounted by equity method	31	(59.900.650)	(40.741.231)
Income from investing activities	15	5.649.210.973	15.697.958.452
<b>Operating profit / (loss) before financial income / (expense)</b>		<b>10.059.275.723</b>	<b>18.745.734.375</b>
Financial income	32	22.900.000	10.512.951
Financial expenses (-)	32	(858.673.881)	(176.271.892)
Monetary (loss)/gain (Net)		(2.404.407.757)	(2.146.275.758)
<b>Profit / (loss) before tax from continued operations</b>		<b>6.819.094.085</b>	<b>16.433.699.676</b>
Tax (expense) / income of continued operations	33	87.972.382	462.670.062
- Tax (expense) / income for the period	33	(499.035.313)	(180.630.984)
- Deferred tax (expense) / income	33	587.007.695	643.301.046
<b>Net profit / (loss) from continued operations</b>		<b>6.907.066.467</b>	<b>16.896.369.738</b>
<b>Profit / (loss) for the period</b>		<b>6.907.066.467</b>	<b>16.896.369.738</b>
Distribution of profit / (loss) for the period			
- Non-controlling interest	26	281.745.307	190.145.037
- Parent company shares	34	6.625.321.160	16.706.224.701
<b>Earnings per share / (loss)</b>		<b>15,408</b>	<b>38,479</b>
- Earnings / (loss) per share	34	15,408	38,479
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be reclassified to profit or loss</b>		<b>27.461.925</b>	<b>(104.512.644)</b>
- Actuarial gain / (loss) arising from defined benefit plans	24	(5.539.774)	(48.708.081)
-Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit / loss		38.621.353	(81.790.327)
-Tax of other comprehensive income not to be reclassified to profit or loss		(5.619.654)	25.985.764
Deferred tax income / (expense)		(5.619.654)	25.985.764
<b>Items to be reclassified to profit or loss</b>		<b>603.272.833</b>	<b>802.944.436</b>
- Currency translation differences relate to the translation of businesses abroad		(79.343.208)	843.566.318
- Other comprehensive income/(expense) related to financial assets whose fair value difference is reflected in other comprehensive income		(293.888)	1.523.172
- Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss		682.909.929	(42.145.054)
<b>Other comprehensive income / (expense)</b>		<b>630.734.758</b>	<b>698.431.792</b>
<b>Total comprehensive income / (expense)</b>		<b>7.537.801.225</b>	<b>17.594.801.530</b>
Distribution of total comprehensive income / (expense)			
- Non-controlling interest		320.855.743	260.270.638
- Parent company shares		7.216.945.482	17.334.530.892

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



# ALARKO HOLDING A.Ş. AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

					Other comprehensive income/expenses not to be reclassified to profit or loss		Other comprehensive income/expenses to be reclassified to profit or loss			Retained earnings					
	Notes	Paid-in share capital	Inflation adjustme nts on capital	Repurchased shares	Cross shareholding adjustment	Gain / (loss) on remeasurement of defined benefit plans	Currency translation differences	Gain / (loss) from financial assets at fair value through the statement of other comprehensive income	Restricted reserves	Dividend advances paid	Retained earnings / (accumulated losses)	Net profit/(loss) for the period	Attributable to equity holders of the parent	Non- controlling interest	Total equity
<b>Balance as of 1 January 2022</b>	26	435.000.000	3.839.581.834	(49.114.877)	(1.535.883)	-	807.506.409	(5.356.749)	228.930.576	-	12.997.695.916	-	18.252.707.226	2.465.365.916	20.718.073.142
Transfers		-	-	-	-	-	-	-	10.024.600	-	(10.024.600)	-	-	-	-
Total comprehensive income / (expense)		-	-	-	-	(104.207.207)	730.988.812	1.524.586	-	-	-	16.706.224.701	17.334.530.892	260.270.638	17.594.801.530
Net profit/ (loss) for the period		-	-	-	-	-	-	-	-	-	-	16.706.224.701	16.706.224.701	190.145.037	16.896.369.738
Other comprehensive income / (expense)		-	-	-	-	(104.207.207)	730.988.812	1.524.586	-	-	-	-	628.306.191	70.125.601	698.431.792
The effect of mergers involving undertakings or businesses under common control		-	-	-	-	-	(43.183.835)	-	-	-	(27.723.765)	-	(70.907.600)	70.907.600	-
Dividend payments	34	-	-	4.966.859	-	-	-	-	-	-	(204.901.923)	-	(199.935.064)	(105.633.857)	(305.568.921)
Increase (decrease) due to share buyback transactions		-	-	(244.928.310)	-	-	-	-	231.687.776	-	(231.687.776)	-	(244.928.310)	(8.824.895)	(253.753.205)
Acquisition or disposal of subsidiaries		-	-	-	-	-	(65.643.997)	-	-	-	-	-	(65.643.997)	479.174	(65.164.823)
Increase/decrease in shareholding rate changes in subsidiaries that did not result in loss of control		-	-	(171)	-	-	(2.880)	-	-	-	(1.160.556)	-	(1.163.607)	(36.488)	(1.200.095)
Transactions with non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	-	1.186.431	1.186.431
<b>Balance as of 31 December 2022</b>	26	435.000.000	3.839.581.834	(289.076.499)	(1.535.883)	(104.207.207)	1.429.664.509	(3.832.163)	470.642.952	-	12.522.197.296	16.706.224.701	35.004.659.540	2.683.714.519	37.688.374.059
<b>Balance as of 1 January 2023</b>	26	435.000.000	3.839.581.834	(289.076.499)	(1.535.883)	(104.207.207)	1.429.664.509	(3.832.163)	470.642.952	-	12.522.197.296	16.706.224.701	35.004.659.540	2.683.714.519	37.688.374.059
Transfers		-	-	-	-	-	-	-	9.613.492	-	16.696.611.209	(16.706.224.701)	-	-	-
Total comprehensive income / (expense)		-	-	-	-	27.288.500	564.629.977	(294.155)	-	-	-	6.625.321.160	7.216.945.482	320.855.743	7.537.801.225
Net profit/ (loss) for the period		-	-	-	-	-	-	-	-	-	-	6.625.321.160	6.625.321.160	281.745.307	6.907.066.467
Other comprehensive income / (expense)		-	-	-	-	27.288.500	564.629.977	(294.155)	-	-	-	-	591.624.322	39.110.436	630.734.758
Advance dividend payments		-	-	-	-	-	-	-	-	(686.681.862)	-	-	(686.681.862)	-	(686.681.862)
Dividends	34	-	-	4.140.413	-	-	-	-	-	-	(201.882.599)	-	(197.742.186)	(75.913.995)	(273.656.181)
Increase (decrease) due to share buyback transactions		-	-	(316.960.374)	-	-	-	-	311.725.988	-	(311.725.988)	-	(316.960.374)	(4.989.451)	(321.949.825)
Acquisition or disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	23.972.771	23.972.771
Increase/decrease in shareholding rate changes in subsidiaries that did not result in loss of control		-	-	-	-	823.489	-	-	-	-	(22.040.536)	-	(21.217.047)	527.635	(20.689.412)
Transactions with non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	-	173.012	173.012
<b>Balance as of 31 December 2023</b>	26	435.000.000	3.839.581.834	(601.896.460)	(1.535.883)	(76.095.218)	1.994.294.486	(4.126.318)	791.982.432	(686.681.862)	28.683.159.382	6.625.321.160	40.999.003.553	2.948.340.234	43.947.343.787

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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

	Notes	Audited	
		Current period	Audited
		1 January 2023 31 December 2023	1 January 2022 31 December 2022
<b>A. Cash flows arising from principal activities</b>		<b>2.753.781.522</b>	<b>1.693.665.302</b>
<b>Profit/ (loss) for the period</b>		<b>6.907.066.467</b>	<b>16.896.369.738</b>
<b>Adjustments related to reconciliation of profit/ (loss) for the period</b>		<b>(188.306.005)</b>	<b>(17.387.130.263)</b>
-Adjustments related to depreciation and amortization	18,19,20	<b>417.463.689</b>	353.676.725
-Adjustments related to impairment (reversal)		-	(135.793.782)
-Adjustments related to provisions		<b>14.973.385</b>	23.231.334
-Adjustments related to interest (income) / expense		<b>(389.961.409)</b>	(177.015.678)
-Adjustment related to unrealized exchange losses		<b>829.776.868</b>	319.872.498
-Adjustments on losses/(gains) of fair value	13,16	<b>(435.485.257)</b>	(794.465.685)
-Cash flows from investments accounted by equity method	15	<b>(5.649.210.973)</b>	(15.697.958.452)
-Adjustments related to tax expense / (income)	33	<b>(87.972.382)</b>	(462.670.062)
-Adjustments related to (gain) / loss on sale of fixed assets		<b>(152.165.943)</b>	7.840.528
-Adjustments related to losses / (gains) on disposal of non-current assets held for sale or to be distributed to shareholders		<b>(31.821.769)</b>	(3.117.651)
-Other adjustments related to cash flows arising from investment and financing activities		<b>(166.713.640)</b>	(74.406.805)
-Other adjustments for reconciliation of profit / (loss)		<b>(2.485.645)</b>	2.128.855
Adjustments related to monetary gain / (loss)		<b>5.465.297.071</b>	(748.452.088)
<b>Net working capital changes</b>		<b>(3.798.690.570)</b>	<b>2.856.960.886</b>
- Adjustments in decrease / (increase) in trade receivables	8	<b>(264.570.470)</b>	(1.233.082.809)
- Adjustments in decrease / (increase) in other receivables related to operations	9	<b>13.575.915</b>	23.540.024
- Adjustments in decrease / (increase) in assets arising from customer contract	12	<b>(342.538.712)</b>	(11.288.875)
- Adjustments in decrease / (increase) in inventories	10	<b>469.200.000</b>	(300.685.480)
- Adjustments in decrease / (increase) in prepaid expense	11	<b>(712.727.140)</b>	(138.711.611)
- Adjustments in increase / (decrease) in trade payables	8	<b>187.406.758</b>	718.355.154
- Adjustments in increase / (decrease) in employee benefit payables	24	<b>24.905.624</b>	6.943.143
- Adjustments in increase / (decrease) in liabilities arising from customer contracts	12	<b>(577.795.141)</b>	(795.013.789)
- Adjustments in increase / (decrease) in other payables related to operations	9	<b>(752.171.841)</b>	5.086.969.229
- Adjustments in increase / (decrease) in deferred income (except for obligations arising from customer contracts)	14	<b>(458.639.874)</b>	(158.428.731)
- Adjustments in other increase / (decrease) in working capital		<b>(1.385.335.689)</b>	(341.635.369)
<b>Cash flows arising from principal activities</b>		<b>2.920.069.892</b>	<b>2.366.200.361</b>
Interest received	30	<b>392.213.585</b>	171.752.967
Cash outflows arising from capital increase of associates and/or joint ventures		<b>(51.802.291)</b>	(556.754.777)
Payments related to employee benefit obligations	24	<b>(36.593.833)</b>	(13.888.583)
Payments for other provisions	22	<b>(1.014.528)</b>	(23.510.130)
Tax returns / (payments)		<b>(469.091.303)</b>	(250.134.536)
<b>B. Cash flows from investing activities</b>		<b>(4.874.559.478)</b>	<b>1.223.643.608</b>
Cash outflows related to additional share purchases in subsidiaries		<b>(1.187.081.119)</b>	-
Cash inflows from the sale of shares or debt instruments of other business or funds	6	-	886.506.697
Cash disbursements for acquisition of other enterprises' or funds' shares or debt instruments	6	<b>(4.865.113.827)</b>	(1.449.854.976)
Cash proceeds from sale of property, plant and equipment		<b>186.634.975</b>	150.385.537
Cash disbursements from purchase of property, plant and equipment and intangible assets	18,19	<b>(3.208.916.987)</b>	(350.109.289)
Cash proceeds from the sales of investment property		-	65.315.985
Cash proceeds from sale of non-current assets held for sale		<b>44.252.704</b>	20.057.222
Dividends received		<b>4.155.664.776</b>	1.901.342.432
<b>C. Cash flows arising from financing activities</b>		<b>375.643.812</b>	<b>1.253.681.978</b>
Cash outflows related to the acquisition of the entity's own interests and other equity instruments		<b>(321.949.825)</b>	(253.753.205)
Cash inflows arising from borrowing	7	<b>2.334.164.331</b>	2.129.261.171
Cash outflows related to debt payments	7	<b>(620.827.019)</b>	(162.287.796)
Cash outflows from debt payments arising from rental contracts	7	<b>(31.253.930)</b>	(139.548.137)
Dividend paid		<b>(960.338.043)</b>	(305.568.921)
Interest paid	7	<b>(24.151.702)</b>	(14.421.134)
<b>Net increase / (decrease) on cash and cash equivalents before the currency translation differences</b>		<b>(1.745.134.144)</b>	<b>4.170.990.888</b>
<b>D. Effect of currency translation differences on cash and cash equivalents</b>		<b>(79.343.208)</b>	<b>843.566.318</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>(1.824.477.352)</b>	<b>5.014.557.206</b>
<b>Monetary gain (loss) on cash and cash equivalents</b>		<b>(3.286.915.346)</b>	<b>1.096.359.509</b>
<b>Cash and cash equivalents at the beginning of the period</b>	5	<b>8.385.259.840</b>	<b>2.274.343.125</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>3.273.867.142</b>	<b>8.385.259.840</b>

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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 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. In the following sections, Alarko Holding A.Ş and its subsidiaries, affiliates and jointly controlled entities whose financial statements are subject to consolidation will be referred to as "Alarko Group/the Group",

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

Company Name	Principle Activities	Shareholding of the Group (%)	
		31 December 2023	31 December 2022
Subsidiaries (*):			
Alsim Alarko San. Tes. ve Tic. A.Ş. (Turkey)	Contracting and Construction	99,91	99,91
Aldem Alarko Konut İnşaat ve Tic. A.Ş. (Turkey)	Residence, Construction	100,00	99,91
Attaş Alarko Turistik Tesisler A.Ş. (Turkey)	Tourism Facility Management	99,91	99,91
Alarko Fenni Malzeme Satış ve İmalat A.Ş. (Turkey)	Marketing of Industrial Products and After Sales Services	99,99	99,99
Alen Alarko Enerji Tic. A.Ş. (Turkey)	Electrical Power Purchase and Sale Import and Export	99,94	99,94
Alarko Gayrimenkul Yatırım Ort. A.Ş. (Turkey) (**)	Purchase and Sales of Real Estates and Market Tools Related to Real Estates	51,20	51,20
Alsim – TCDD (Turkey)	TCDD Ankara- Eskişehir High Speed Railway Project	99,91	99,91
Astana Su- Taldykol Göl Arıtma Projesi (Kazakhstan)	Supply of Water and Cleaning of Lake Projects	99,91	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	99,93	99,93
Garanti Koza – Alsim Ortak Girişimi (Turkey)	Subway Construction Project	99,91	99,91
Altek Alarko Elektrik Sant. Tes. İşl. ve Tic. A.Ş. (Turkey)	Production of Electrical Energy	99,94	99,96
Bozhakol Bakır Tesisi Projesi (Kazakhstan)	Copper Facility Project	99,91	99,91
AO Mosalarko (Russia)	Russia-Real Estate Project, Construction and Utilization	51,20	51,20
Aktau Manasha Yol Projesi (Kazakhstan)	Road Construction Project	99,91	99,91
Aktogay Bakır Konsantre Tesisi Projesi (Kazakhstan)	Copper Processing Plant Project	99,91	99,91
Alarko Konut Projeleri Geliştirme A.Ş. (Turkey)	Purchase and Sales of Real Estates and Market Tools Related to Real Estates	99,91	99,91
Alsim Alarko Sanayi Tes. ve Tic. A.Ş. Astana No: 2 Şubesi (Kazakhstan)	Construction and Montage Work	99,91	99,91
Tüm Tesisat ve İnşaat A.Ş. (Turkey)	Construction and Installation Works	50,15	50,15
Alsim Alarko S.R.L. (Romania)	Construction	99,91	99,91
Saret KZ (Kazakhstan)	Construction Works	100,00	100,00
Alsim Almaty Şubesi (Kazakhstan)	Construction Works	99,91	99,91
Alsim Alarko San. Tes. ve Ticaret Bükreş Şubesi (Romania)	Highway Construction Project	99,91	99,91
Alyat Teknoloji Yatırımları Holding A.Ş. (Turkey)	Financial Holding	99,50	99,50

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

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



# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

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

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

Company Name	Principle Activities	Shareholding of the Group (%)	
		31 December 2023	31 December 2022
Subsidiaries (*) :			
Alsera Jeotermal Tarım Gıda San.ve Tic. A.Ş. (Turkey) (***)	Greenhouse Based on Geothermal Energy	100,00	-
Alser Alarko Sermaye Yatırımları Holding A.Ş. (Turkey) (****)	Financial Holding	99,97	-
Palmira Agro Gübre Sanayi ve Ticaret A.Ş. (Turkey) (****)	Micro Granular Fertilizer Production	80,00	-
Antsan Tarım Sanayi ve Ticaret A.Ş. (Turkey) (****)	Greenhouse Based on Geothermal Energy	100,00	-
Alarko Gübre Fabrikaları Sanayi ve Ticaret A.Ş. (Turkey) (*****)	Manure Production and Marketing	100,00	-
Alarko Gıda Sanayi ve Ticaret A.Ş. (Turkey) (*****) (*****)	Food, Food Management	100,00	-
Alarko Havacılık Endüstri Yatırımları A.Ş. (Turkey) (*****)	Aviation and Aircraft Technical Maintenance	100,00	-
Alden Jeotermal Tarım Gıda Sanayi ve Ticaret A.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 Geothermal Energy Activities	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	-
Hak Gayrimenkul Tarım Sanayi ve Ticaret A.Ş. (Turkey) (*****)	Geothermal Energy Activities	100,00	-
Altes Seracılık Tarım Gıda Sanayi ve Ticaret A.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	-

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

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

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

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

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

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

(\*\*\*\*\*) As of 18 December 2023, the company title of Ereğli Agrosan Doğal Ürünler ve Türevleri Tarım Üretim ve Ticaret A.Ş. has been registered as 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

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

Company Name	Principle Activities	Shareholding of the Group (%)	
		31 December 2023	31 December 2022
<b>Joint Controlled Entities (*) :</b>			
Alarko Carrier Sanayi ve Ticaret A.Ş. (Turkey) (***)	Heating, Cooling , Air Conditioning Equipment Manufacturing	42,03	43,12
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Spain)	TCDD Ankara – Eskişehir High Speed Railway Project	44,96	44,96
Alarko – Makyol Adi Ortaklığı (Turkey)	Subway Construction Project	49,95	49,95
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş.(Turkey)	Establishing, Transferring or Operating Electrical Power Distribution Facility	49,96	49,96
Meram Elektrik Dağıtım A.Ş. (Turkey)	Electrical Power Distribution	49,96	49,96
Meram Elektrik Enerjisi Toptan Satış A.Ş. (Turkey)	Electrical Power Sale	49,96	49,96
Cenal Elektrik Üretim A.Ş. (Turkey)	Constructing and Administrating Electricity Power Generation	49,96	49,96
Meram Elektrik Perakende Satış A.Ş.(Turkey)	Electrical Power Sale	49,96	49,96
Algiz Enerji A.Ş. (Turkey) (*****)	Constructing and Administrating Electricity Power Generation	-	49,96
Panel Enerji A.Ş. (Turkey) (*****)	Constructing and Administrating Electricity Power Generation	-	49,96
Utilitek Bilgi Teknolojileri A.Ş.(Turkey) (****)	Computer Programming Activities	49,96	-
Obrascon Huarte Lain SA - Alsim Alarko San.Tes.ve Ticaret A.Ş. (Turkey)	TCDD Ankara-Eskişehir High Speed Train Project	45,00	45,00
Bakad Investment & Operation LLP (Kazakhstan)	Construction Works	33,27	33,27
Bakad International B.V. (Holland)	Non-Financial Holding	33,27	33,27
Barr Operation and Maintenance LLP (Kazakhstan) (****)	Highway Maintenance and Operation	24,98	-
<b>Joint Ventures (**):</b>			
Alarko Cengiz Metro Ortak Girişimi (Turkey)	Subway Construction Project	49,95	49,95
Bükreş Uluslararası Havalimanı Demiryolu Bağlantısı 6. Metro Kesimi (Romania)	Subway Construction Project	49,95	49,95
(*) Included in the consolidation by equity method.			
(**) It has been included in consolidation by proportional consolidation method.			
(****) Public company listed in the Borsa İstanbul A.Ş. (BIST).			
(*****) Included in the consolidation with 30 September 2023.			
(*****) With 31 December 2023, it was transferred to Cenal Elektrik Üretim A.Ş.			

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

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 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 2023 and 2022, the shareholding structure is as follows:

	31 December 2023	31 December 2022
Name	Shareholding	Shareholding
Alaton Family	%31,54	%34,36
Garih Family	%31,72	%32,92
Other (*)	%36,74	%32,72
Total	%100,00	%100,00

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

The shares of Alarko Holding A.Ş. are traded in the Borsa Istanbul A.Ş. (BIST) since May 24, 1989, and as of 31 December 2023, 33,63 % of the Company shares are offered to public.

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

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

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

	31 December 2023	31 December 2022
Salary earners	1.813	1.676
Wage earners	3.402	3.456
Total	5.215	5.132

### 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 2022 TFRS taxonomy published by the POA on April 15, 2019.



# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

### 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**

The Public Oversight Accounting and Auditing Standards Authority (POA), with announcement made on 23 November 2023 and the published "Implementation Guide on Financial Reporting in Hyperinflation Economies", [the Capital Market Board (CMB) decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions which subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards] are decided to apply inflation accounting by applying the provisions of TAS 29 "Financial Reporting in Hyperinflationary Economies" to their annual financial statements by 31 December 2023. Group has prepared the financial statements by 31 December 2023 and according to TAS 29 "Financial Reporting in Hyperinflation Economies" Standard, financial statements prepared in the currency of a hyperinflationary eco for the annual reporting period ending on the same date by applying inflation accounting. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy have to be prepared on purchasing power on to the reporting date and comparative period information is expressed in terms of current measurement unit at the end of the reporting period. Therefore, the Group has presented the financial statements by 31 December 2022 on the basis of purchasing power by 31 December 2023.

One of the features that makes the application of TAS 29 mandatory is the cumulative three-year inflation rate approaching or exceeding 100%. Based on the Turkey-wide Consumer Price Index ("CPI") announced by the Turkish Statistical Institute ("TurkStat"), the cumulative three-year inflation rate in Turkey reached 268,3% as of 31 December 2023. However, TAS 29 does not specify 100% as the absolute rate at which hyperinflation occurs and it is a matter of judgement whether the consolidated financial statements should be restated in accordance with TAS 29. Hyperinflation is also determined by the characteristics of a country's economic environment.

The table in down below shows the development of CPI over the last three years by 31 December 2023:

	2023	2022	2021
<b>Annual Index</b>	1.859,38	1.128,45	686,95
<b>Annual Inflation</b>	%64,77	%64,3	%36,1
<b>Cumulative Inflation</b>	%55,9	%156,2	%268
<b>Adjusment Coefficient</b>	1,0000	1,64773	2,70672

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

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

###### Financial Reporting in Hyperinflationary Economies (continued)

During an inflationary period, an entity whose monetary assets exceed its monetary liabilities loses purchasing power, while an entity, monetary liabilities exceed its monetary assets gains purchasing power to the extent which its assets and liabilities are not linked to a price level. The gain or loss which arising on the net monetary position is recognising in the statement of profit or loss as monetary gain (loss).

The Group has restated all non-monetary items to reflect the effect of inflation adjustment reporting in terms of the current measurement unit by 31 December 2023. Monetary items have not been restated since they are expressed in terms of the current measuring unit by 31 December 2023.

The main components of the restatement made by the Company for the purpose of financial reporting in hyperinflationary economies are as follows

- i. The consolidated financial statements for the current period which presented in TL, expressed in terms of the purchasing power of TL at the date of the consolidated statement of financial position and the amounts for previous reporting periods are also restated in terms of the purchasing power of TL at the end of the reporting period.
- ii. Non-monetary assets, liabilities and equity items which are not expressed in the current purchasing power at the date of the financial position's consolidated statement are restated by applying the relevant conversion factors.
- iii. Monetary assets and liabilities are not restated, because they are currently expressed in terms of the purchasing power at the date of the financial position's consolidated statement. Monetary items include cash and items which are received or paid in cash.
- iv. Where the inflation-adjusted carrying amount of a non-monetary item exceeds its recoverable amount or fair value, the non-monetary item is recognised at fair value.
- v. All items in the statement of comprehensive income, except for the non-monetary items in the financial position's consolidated statement that have an effect on the statement of comprehensive expense accounts were initially recognised in the financial statements.
- vi. All items in the consolidated statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

##### 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.

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

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

##### Approval of consolidated financial statements

Consolidated financial statements as of 31 December 2023 are approved at 18 April 2024 by the Company's Board of Directors. General Assembly and other regulatory organs reserve their right to modify and change these consolidated financial statements.

##### 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.

##### 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

#### 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.

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

Consolidated statements of financial position as of 31 December 2023 and 2022 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 detected significant accounting errors are applied retrospectively and prior financial statements are rearranged. Amendments of accounting estimations are applied in current period that amendments are made, if the amendments are related to only one period, and if they are related to next periods, they are applied both in period that amendments are made and next period, prospectively.

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

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2023. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

### **NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

##### **iv. New and revised Turkish Accounting Standards (continued)**

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

Effective for annual periods beginning on or after 1 January 2023. These amendments are intended to improve accounting policy disclosures and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

##### **Amendment to TAS 12, Deferred tax on assets and liabilities arising from a single transaction**

Effective for annual periods beginning on or after 1 January 2023. These amendments are intended to improve accounting policy disclosures and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

##### **Amendment to TAS 12, International tax reform**

Effective for annual periods beginning on or after 1 January 2023. These amendments are intended to improve accounting policy disclosures and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The application of the amendments did not have a significant impact on the consolidated financial statements of the Group.

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

The new standards, interpretations and amendments are existing standards that are issued but not yet effective up to the reporting date and not early adopted by the Group, although earlier application is permitted are as follows;

##### **Amendment to TAS 1, Non-current liabilities with contractual terms**

Effective for annual periods beginning on or after 1 January 2024. These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve the information that an entity provides about liabilities subject to these conditions.

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

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

#### ii) Standards, amendments and interpretations that are issued but not effective as at 31 December 2023 (continued)

##### **Amendment to TFRS 16 – Leases on sale and leaseback**

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

##### **Amendments to TMS 7 and TFRS 7 on Supplier finance arrangements**

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

##### **TAS 21 Lack of Changeability**

Effective for annual periods beginning on or after January 1, 2025. An entity is affected when it has a transaction or activity in a foreign currency that is not convertible into another currency at a particular measurement date for a particular purpose. A currency can be exchanged when the ability to acquire another currency is available (with a normal administrative delay) and the transaction occurs through a market or clearing mechanism that creates enforceable rights and obligations.

##### **TSRS 1, General requirements for disclosure of sustainability-related financial information**

Effective for annual periods beginning on or after January 1, 2024. These amendments clarify how conditions that an entity must comply within twelve months after the reporting period affect to the classification of a liability. The amendments are also intended to improve the information which has an entity provides about liabilities subject to these conditions.

##### **TSRS 2, Climate-related disclosures**

Effective for annual periods beginning on or after January 1, 2024. This is the first standard to establish disclosure requirements for companies about climate-related risks and opportunities.



# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

#### v. Summary of Significant Accounting Policies and Evaluation Methods

##### Financial instruments

###### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) Financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Company reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

###### Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income:

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

If a financial asset is not measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss.

In the initial recognition of a financial asset, the Group may irrevocably elect to present subsequent changes in fair value of an equity instrument that is not held for trade in other comprehensive income.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

#### 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)*

###### (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

On initial recognition, the Group may make an irrevocable election to designate each investment in equity instruments that is not held for trading as at FVTOCI.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

#### 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

#### 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 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
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###### 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 2023

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### 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 2023

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#### 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 2023

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#### **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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

#### **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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

### 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 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 recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### **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 benefits**

###### Defined 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 23.489,83 for each period of service at 31 December 2023 (31 December 2022: TL 15.371,40).

Ceiling amount of TL 35.058,58 which is in effect since 1 January 2024 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 2023

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### 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 2023, the retirement pay liability upper limit, to remain constant for restatement purposes and this value is reduced by the actual discount rate of %2,12 (31 December 2022 - %0,49) calculated based upon the assumption that the expected annual interest rate will be %27,47 (31 December 2022 - %9,34) and the expected inflation rate will be %24,82 (31 December 2022 - %8,80) 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 2023

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### 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 2023**

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#### **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 2023 and 2022, 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 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 (IFRS 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 IFRS 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 creditibilities, 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 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 2023 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.
- j) 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.



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS

The business combinations realized within the accounting period of 1 January – 31 December 2023 are as follows;

Subsidiaries of Alarko Tarım Sanayi ve Ticaret Anonim Şirketi; the field of activity of which is greenhouse farming based on geothermal energy for a price of 76.406.800 TL by 16 March 2023, it has purchased all of the 17.425.000 shares (100%) with a nominal value of 17.425.000 TL of Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi. Due to the ongoing studies to determine the fair values of the identifiable assets and liabilities taken over in relation to this acquisition, the acquisition has been provisionally accounted by 31 December 2023. Pursuant to TFRS 3 "Business Combinations", the acquisition accounted for temporarily must be adjusted within 12 months following the merger date. As a result of the final recognition of the acquisition, it is possible that there will be adjustments in the recorded fair values of the identifiable assets and liabilities acquired accordingly, the recorded amount of goodwill.

	<b>Fair value (TL)</b>
Cash and cash equivalents	3.579
Other receivables	221.267
Prepaid expenses	290.465
Property, plant and equipments	119.731.200
Intangible assets	1.462.781
Deferred tax asset	(19.501.047)
<b>Fair value (TL)</b>	<b>102.208.245</b>
Purchase price	111.887.597
Less : Fair value of net assets acquired	(102.208.245)
<b>Goodwill, 31 December 2023</b>	<b>9.679.352</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS (CONTINUED)

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

	<b>Fair value of net assets</b>
Cash and cash equivalents	3.624.878
Trade receivables	24.681.975
Inventories	11.883.243
Prepaid expenses	71.895.774
Other current assets	814.986
Property, plant and equipments	2.271.124
Intangible assets	14.289
Deferred tax asset	257.569
Short term liabilities	(7.937.427)
Trade payables	(14.855.593)
Other payables	(86.842)
Current income tax liabilities	(1.688.898)
Long-term liabilities	(4.516.970)
<b>Fair value of net assets</b>	<b>86.358.108</b>
Purchase price	82.541.895
Ownership rate	%80
Less : Fair value of net assets acquired	(69.086.486)
<b>Goodwill, 31 December 2023</b>	<b>13.455.409</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS (CONTINUED)

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

	<b>Fair value (TL)</b>
Cash and cash equivalents	10.955
Trade receivables	5.615.609
Other receivables	298.568
Inventories	1.895.836
Prepaid expenses	7.425.305
Other current assets	3.086.230
Property, plant and equipments	76.538.052
Short term liabilities	(4.323.622)
Trade payables	(47.631.040)
Other payables	(454.667)
Long-term liabilities	(25.941.740)
Deferred tax liabilities	(3.624.838)
<b>Fair value of net assets</b>	<b>12.894.648</b>
Purchase price	51.392.229
Less : Fair value of net assets acquired	(12.894.648)
<b>Goodwill, 31 December 2023</b>	<b>38.497.581</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS (CONTINUED)

"It was announced to the public on March 3, 2023 that Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, a subsidiary of Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, has decided to purchase 400,000 shares with a nominal value of TL 400,000 corresponding to 40% of the shares of Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret Anonim Şirketi for TL 75,468,000. 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 USD 9.830.000 equivalent of Turkish Lira and to offset the advance payment of TL 75.468.000, which was previously paid for the purchase of 400.000 shares with a nominal value of TL 400.000, from the determined share purchase price and the share transfer transaction was realized on the same date. The acquisition has been provisionally accounted for as of December 31, 2023 due to the ongoing work to determine the fair value of the identifiable assets and liabilities acquired in relation to this acquisition. In accordance with TFRS 3 "Business Combinations", the acquisition transaction recognized on a provisional basis is required to be adjusted within 12 months following the acquisition date. As a result of the final accounting of the acquisition, it is possible that there may be adjustments to the fair values of the identifiable assets acquired and liabilities assumed and accordingly to the carrying amount of goodwill."

	<b>Fair value (TL)</b>
Cash and cash equivalents	
Trade receivables	9.252.140
Other receivables	5.649.468
Cash and cash equivalents	1.853.613
Prepaid expenses	63.832.297
Other current assets	4.567.699
Property, plant and equipments	330.206.924
Intangible assets	5.810
Trade payables	(117.374.427)
Other payables	(9.869.748)
Deferred tax liabilities	(66.310.566)
<b>Fair value of net assets</b>	<b>221.813.210</b>
Purchase price	281.941.258
Less : Fair value of net assets acquired	(221.813.210)
<b>Goodwill, 31 Dcember 2023</b>	<b>60.128.048</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS (CONTINUED)

"It was previously announced to the public that a preliminary protocol was signed on July 14, 2023 between Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, a subsidiary of Alarko Tarım Sanayi ve Ticaret A.Ş., and Halil Pekdemir Çiftliği Gıda ve İhtiyaç Maddeleri Ticaret ve Sanayi Limited Şirketi in order to transfer the shares of the new company to be established by partial spin-off 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%) shares of Alden Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, which was established through the partial spin-off of Pekdemir, at a price of Turkish Lira equivalent to USD 12,269,500 and the offsetting of the Turkish Lira equivalent of USD 2,000,000 previously paid in advance against the determined share purchase price was signed on August 4, 2023 and the share transfer transaction was realized on the same date. Due to the ongoing work to determine the fair value 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 recognized on a provisional basis is required to be adjusted within 12 months following the acquisition date. As a result of the final accounting of the acquisition transaction, the identifiable assets acquired and the It is possible that the final accounting for the acquisition will result in adjustments to the carrying amounts of the identifiable assets acquired and liabilities assumed and accordingly to the carrying amount of goodwill.

	<b>Fair value (TL)</b>
Cash and cash equivalents	85.062
Trade receivables	1.533.541
Other receivables	54.977
Inventories	17.572.763
Prepaid expenses	64.410.344
Other current assets	1.149.880
Property, plant and equipments	329.419.145
Trade payables	(83.084.791)
Other payables	(2.214.811)
Deferred tax liabilities	(76.458.521)
<b>Fair value of net assets</b>	<b>252.467.589</b>
Purchase price	364.556.147
Less : Fair value of net assets acquired	(252.467.589)
<b>Goodwill, 31 Decmber 2023</b>	<b>112.088.558</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, a subsidiary of Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, acquired 62.124.000 shares of Ereğli Agrosan Doğal Ürünler ve Türevleri Tarım Üretim ve Ticaret Anonim Şirketi with a nominal value of TL 62.124.000 (100%) for a consideration of TL 36.401.331 as of August 31, 2023. The acquisition has been provisionally accounted for as of December 31, 2023 due to the ongoing work to determine the fair value of the identifiable assets and liabilities acquired in relation to this acquisition. In accordance with TFRS 3 "Business Combinations", the acquisition transaction recognized on a provisional basis is required to be adjusted within 12 months following the acquisition date. As a result of the final accounting of the acquisition, it is possible that there may be adjustments to the carrying amounts of the identifiable assets acquired and liabilities assumed and, accordingly, to the carrying amount of goodwill.

	<b>Fair value (TL)</b>
Cash and cash equivalents	707.029
Trade receivables	3.911.081
Other receivables	41.392
Inventories	24.555.248
Prepaid expenses	13.797.633
Other current assets	6.514.514
Property, plant and equipments	34.403.967
Intangible assets	314.420
Deferred tax asset	701.117
Short term liabilities	(2.290.350)
Trade payables	(40.383.503)
Other payables	(951.774)
Long-term liabilities	(2.618.652)
<b>Fair value of net assets</b>	<b>38.702.122</b>
Purchase price	40.025.018
Less : Fair value of net assets acquired	(38.702.122)
<b>Goodwill, 31 Decmber 2023</b>	<b>1.322.896</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret A.Ş., a subsidiary of Alarko Tarım Sanayi ve Ticaret A.Ş., acquired 50.000.000 shares (100%) of Altes Seracılık Tarım Gıda Sanayi ve Ticaret Anonim Şirketi with a nominal value of TL 50.000.000 with a consideration of TL 50.000.000 as of 12 October 2023. The acquisition transaction has been accounted for provisionally as of 31 December 2023 due to the ongoing studies to determine the fair value of the identifiable assets and liabilities acquired in relation to this acquisition. In accordance with TFRS 3 "Business Combinations", the acquisition transaction recognized on a provisional basis is required to be adjusted within 12 months following the acquisition date. As a result of the final accounting of the acquisition, it is possible that there may be adjustments to the carrying amounts of the identifiable assets acquired and liabilities assumed and, accordingly, to the carrying amount of goodwill.

	<b>Fair value (TL)</b>
Cash and cash equivalents	428.475
Trade receivables	3.982.992
Inventories	1.231.442
Prepaid expenses	38.287
Other current assets	74.157.598
Property, plant and equipments	7.560.483
Cash and cash equivalents	107.271.916
Deferred tax asset	24.182.611
Trade payables	(231.650.320)
Other payables	(583.096)
<b>Fair value of net assets</b>	<b>(13.379.612)</b>
Purchase price	53.152.175
Less : Fair value of net assets acquired	13.379.612
<b>Goodwill, 31 December 2023</b>	<b>66.531.787</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS (CONTINUED)

Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, a subsidiary of Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, acquired 77.711.864 shares (100%) of Alziraat Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi with a nominal value of TL 777.119 for a consideration of TL 69.416.000 as of October 13, 2023. Due to the ongoing studies to determine the fair value of the identifiable assets and liabilities acquired in relation to this acquisition, the acquisition has been provisionally accounted for as of December 31, 2023. In accordance with TFRS 3 "Business Combinations", the acquisition transaction recognized on a provisional basis is required to be adjusted within 12 months following the acquisition date. As a result of the final accounting of the acquisition, it is possible that there will be adjustments to the carrying amounts of the identifiable assets acquired and liabilities assumed, and accordingly to the carrying amount of goodwill.

	<b>Fair value (TL)</b>
Cash and cash equivalents	32.417
Prepaid expenses	1.063.043
Other current assets	1.186.923
Property, plant and equipments	86.843.007
Trade payables	(51.061.549)
Other payables	(472)
Deferred tax asset	(7.894.151)
<b>Fair value of net assets</b>	<b>30.169.218</b>
Purchase price	73.793.113
Less : Fair value of net assets acquired	(30.169.218)
<b>Goodwill, 31 Decmber 2023</b>	<b>43.623.895</b>



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 3. BUSINESS COMBINATIONS (CONTINUED)

It was previously announced to the public that Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, a subsidiary of Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, signed a share transfer agreement on September 13, 2023 for the purchase of 80.000 shares with a nominal value of TL 80.000, which corresponds to 80% of the total capital of Genseed Tohum Islah ve Üretim Anonim Şirketi, for a consideration of TL equivalent of USD 3.720.241, provided that the specified closing conditions are fulfilled, 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 finalized. As a result of the negotiations between the parties and the adjustments made, it has been decided that the final transfer price will be determined as TL equivalent of USD 4.277.725 and TL equivalent of USD 1.000.000 paid in advance will be deducted from the final transfer price. Accordingly, 80.000 shares with a nominal value of TL 80.000, corresponding to 80% of the total capital of Genseed Tohum Islah ve Üretim Anonim Şirketi, were taken over as of October 27, 2023. It is possible that the final accounting for the acquisition will result in adjustments to the carrying amounts of the identifiable assets acquired and liabilities assumed and, accordingly, to the carrying amount of goodwill.

	<b>Fair value (TL)</b>
Cash and cash equivalents	177.377
Other receivables	85.444
Inventories	468.110
Other current assets	809.284
Property, plant and equipments	100.337.000
Trade payables	(21.788.516)
Other payables	(281.568)
Long-term liabilities	(14.750.000)
Deferred tax liabilities	(744.641)
<b>Fair value of net assets</b>	<b>64.312.490</b>
Purchase price	127.791.687
Ownership rate	80%
Less : Fair value of net assets acquired	(51.449.992)
<b>Goodwill, 31 Decmber 2023</b>	<b>76.341.695</b>

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

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

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 4. SEGMENT REPORTING

Alarko Groups' sectors are classified; tourism, industry and merchandising, energy and contracting/land development. Alyat Teknoloji Yatırımları Holding A.Ş. , Alser Alarko Sermaye Yatırımları Holding A.Ş. and Alarko Havacılık Endüstri Yatırımları A.Ş. to Holding sektors, Alarko Tarım Sanayi ve Ticaret A.Ş., Palmira Agro Gübre Sanayi ve Ticaret A.Ş., Antsan Tarım Sanayi ve Ticaret A.Ş. ve Alsera Jeotermal Tarım Gıda San.Tic. A.Ş. Ereğli Agrosan Doğal Ürünler ve Türevleri Tarım Üretim ve Ticaret A.Ş., Alarko Gübre Fabrikaları Sanayi ve Ticaret A.Ş., Alden Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş., Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret A.Ş., Alpark Jeotermal Sağlık Turizm ve Depoculuk A.Ş., Alurla Jeotermal Sağlık Turizm A.Ş., Albi Bitkisel İlaç Ham Maddeleri Üretim Sanayi ve Ticaret A.Ş. and Hak Gayrimenkul Tarım Sanayi ve Ticaret A.Ş. to Agriculture sector is included. These fields of activity are taken as a basis while preparing the report according to the departments.

As of 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
<b>Current assets</b>								
Cash and cash equivalents	122.048.550	569.912.276	89.618.872	1.781.972.060	625.611.693	84.703.691	-	3.273.867.142
Financial investments	1.210.644.788	99.004.217	-	4.104.612.653	1.038.602.608	-	-	6.452.864.266
Trade receivables	62.073.386	7.824.667	264.360	241.493.112	7.045.424.846	1.102.591.621	(5.530.825.763)	2.928.846.229
Other receivables	23.855.806	8.538	-	2.080.231.787	238.758.503	8.674.893	(2.331.481.409)	20.048.118
Assets arising from customer contracts	-	120.996	-	-	366.822.075	-	-	366.943.071
Inventories	88.565	14.581.481	1.820.446	26.892.775	934.923.277	126.970.148	(1.216.783)	1.104.059.909
Prepaid expenses	4.592.140	19.424.632	7.310	4.295.368	612.526.736	179.957.397	-	820.803.583
Current income tax assets	17.939.669	1.212.501	-	20.998	59.704.350	1.440.472	-	80.317.990
Other current assets	47.020.994	40.139.318	704.636	88.494.883	378.300.773	87.105.068	-	641.765.672
Non-current assets held for sale	-	122.044	-	-	27.523.939	-	(12.039.602)	15.606.381
<b>Non-current assets</b>								
Financial investments	7.679.846.274	482.186	9.140.074	2.108.529.687	3.139.296.266	2.309.028.388	(13.490.437.827)	1.755.885.048
Trade receivables	-	-	-	-	146.583	-	-	146.583
Other receivables	113.665	695.706	-	9.547	93.658.771	2.350.434	-	96.828.123
Investments accounted for by equity method	4.808.949.859	-	626.750.485	27.063.830.954	3.288.204.076	-	(7.175.183.315)	28.612.552.059
Investment properties	549.810.000	-	6.480.000	244.265.000	9.869.676.459	-	(7.772.091.897)	2.898.139.562
Property, plant and equipment	14.606.817	459.349.355	-	1.546.600.772	697.234.451	1.423.570.663	2.439.902.879	6.581.264.937
Right of use assets	7.351.155	1.624.195.708	-	37.493.073	61.891.292	13.021.537	(1.154.270.477)	589.682.288
Intangible assets	709.031	3.478.472	-	383.291.736	79.188.196	29.336.753	450.063.948	946.068.136
Prepaid expenses	260.805	2.391.417	-	72.976	28.163.451	533.724.049	-	564.612.698
Deferred tax asset	15.837.851	81.159.568	-	377.226.116	1.007.671.149	68.257.595	(69.584.107)	1.480.568.172
Other non-current assets	26	558.939	-	-	127.469.210	-	-	128.028.175
<b>Total assets</b>	<b>14.565.749.381</b>	<b>2.924.662.021</b>	<b>734.786.183</b>	<b>40.089.333.497</b>	<b>29.720.798.704</b>	<b>5.970.732.709</b>	<b>(34.647.164.353)</b>	<b>59.358.898.142</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 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
<b>Current liabilities</b>								
Short-term financial liabilities	4.548.077	1.379.677	-	5.242.872	3.075.527.790	1.870.953.031	-	4.957.651.447
Short-term portion of long-term financial liabilities	-	-	-	-	158.373.468	-	-	158.373.468
Trade payables	9.814.423	319.051.869	1.080.068	23.124.405	5.878.737.837	1.392.887.146	(5.680.607.765)	1.944.087.983
Payables related to employee benefits	6.350.422	13.687.193	71.797	2.693.514	43.262.719	18.292.300	-	84.357.945
Other payables	1.774.888.810	1.819.901	18.366	4.322.418.578	481.621.833	55.492.388	(2.182.129.706)	4.454.130.170
Liabilities arising from customer contracts	-	11.575.381	-	-	767.394.215	-	-	778.969.596
Derivative instruments	-	-	-	5.303.193	-	-	-	5.303.193
Deferred income (Except for obligations arising from customer contracts)	-	73.276.936	24.592	-	520.502.538	1.955.892	-	595.759.958
Current income tax liabilities	227.791	-	2.213.764	78.646.481	59.569.452	843.293	-	141.500.781
Short-term provisions	-	-	-	28.264.138	17.029.890	-	-	45.294.028
Other current liabilities	850.001.889	89.036	-	3.571.351.682	2.464.430	100.725.817	(4.524.627.221)	5.633
<b>Non-current liabilities</b>								
Long-term financial liabilities	680.180	1.964.553.748	-	18.341.122	490.861.991	39.490.632	(1.942.168.493)	571.759.180
Other payables	-	-	-	-	585.924.855	-	-	585.924.855
Liabilities arising from customer contracts	-	418.486	-	-	143.003.575	-	-	143.422.061
Investments accounted for by equity method liabilities	-	-	-	-	27.895.098	-	-	27.895.098
Deferred income (excluding obligations arising from customer contracts)	-	-	-	-	341.318.046	-	-	341.318.046
Long-term provisions	9.578.871	49.515.550	-	4.170.370	54.577.996	332.826	-	118.175.613
Deferred tax liabilities	162.816.373	-	893.768	3.727.832	144.574.521	1.065.543	144.547.263	457.625.300
<b>Equity</b>								
Paid-in share capital	1.218.500.000	21.500.000	230.000	578.975.276	402.261.733	1.582.693.565	(3.369.160.574)	435.000.000
Inflation adjustment on capital	4.171.718.427	178.439.983	64.995.589	1.712.777.328	3.017.642.855	406.232.047	(5.712.224.395)	3.839.581.834
Capital advance	-	-	-	-	-	39.159.518	(39.159.518)	-
Repurchased shares (-)	(543.413.761)	-	-	-	(114.228.790)	-	55.746.091	(601.896.460)
Cross shareholding adjustment	-	-	-	-	-	-	(1.535.883)	(1.535.883)
Premiums/discounts on shares	-	-	-	-	-	77.200.154	(77.200.154)	-
Actuarial gain / (loss) arising from defined benefit plans	(3.180.512)	(24.532.281)	(21.707.867)	(14.009.615)	(13.058.846)	75	393.828	(76.095.218)
Foreign currency translation differences	-	-	-	-	2.127.753.214	-	(133.458.728)	1.994.294.486
Gains / (losses) from financial assets at fair value through other comprehensive income	5.133.216.455	-	1.360.142	4.599	1.681.160.602	-	(6.819.868.116)	(4.126.318)
Restricted reserves	384.698.172	10.202.191	12.671	163.986.258	94.850.346	924.331	137.308.463	791.982.432
Dividend advances paid (-)	(697.242.012)	-	-	(942.676.037)	-	-	953.236.187	(686.681.862)
Retained earnings or accumulated losses	87.368.735	45.250.910	803.769.142	23.363.842.628	8.744.003.370	120.592.714	(4.481.668.117)	28.683.159.382
Net profit or loss for the period	1.995.177.041	258.433.441	(118.175.849)	7.163.148.873	987.773.966	261.891.437	(3.922.927.749)	6.625.321.160
Non-controlling interest	-	-	-	-	-	-	2.948.340.234	2.948.340.234
<b>Total liabilities</b>	<b>14.565.749.381</b>	<b>2.924.662.021</b>	<b>734.786.183</b>	<b>40.089.333.497</b>	<b>29.720.798.704</b>	<b>5.970.732.709</b>	<b>(34.647.164.353)</b>	<b>59.358.898.142</b>

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 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)	101.153.561	1.356.340.970	209.617.928	494.361.875	5.905.756.039	275.753.536	(46.755.812)	8.296.228.097
Revenue (Within the Group)	161.957.596	-	-	7.077.368	360.992.472	49.215.913	(579.243.349)	-
Cost of sales (Outside the Group) (-)	(84.031.827)	(662.487.674)	(132.874.520)	(315.481.973)	(6.205.207.087)	(201.740.762)	(6.261.027)	(7.608.084.870)
Cost of sales (Within the Group) (-)	(173.975.370)	(217.450.853)	(1.612.245)	(8.356.711)	(109.056.446)	(50.943.514)	561.395.139	-
<b>Gross profit / (loss)</b>	<b>5.103.960</b>	<b>476.402.443</b>	<b>75.131.163</b>	<b>177.600.559</b>	<b>(47.515.022)</b>	<b>72.285.173</b>	<b>(70.865.049)</b>	<b>688.143.227</b>
General administrative expenses (-)	(96.896.553)	(183.033.394)	(290.834)	(60.809.626)	(533.345.798)	(113.380.846)	19.323.208	(968.433.843)
Marketing expenses (-)	-	(71.844.870)	(2.339.814)	-	-	(10.743.932)	580.451	(84.348.165)
Research and development expenses (-)	-	-	-	-	-	(291.965)	54.676	(237.289)
Other income from operating activities	684.913.363	206.348.361	62.664.900	2.649.843.566	1.179.964.830	231.973.583	(761.935.920)	4.253.772.683
Other expense from operating activities (-)	(471.919.264)	(109.299.961)	(21.055.777)	(1.087.974.220)	(520.390.637)	(271.265.088)	1.249.378.473	(1.232.526.474)
<b>Operating profit / (loss)</b>	<b>121.201.506</b>	<b>318.572.579</b>	<b>114.109.638</b>	<b>1.678.660.279</b>	<b>78.713.373</b>	<b>(91.423.075)</b>	<b>436.535.839</b>	<b>2.656.370.139</b>
Income from investing activities	1.879.152.954	116.349.533	4.038.593	1.372.914.622	1.443.334.786	141.447.612	(3.143.642.839)	1.813.595.261
Expenses from investing activities (-)	-	(107.317)	(4.682)	(4.498)	(60.672.059)	(1.135.795)	2.023.701	(59.900.650)
Share of profits (losses) of investments accounted by equity method	-	-	(172.914.282)	5.971.766.368	347.772.562	-	(497.413.675)	5.649.210.973
<b>Operating profit/ (loss) before financial income / (expense)</b>	<b>2.000.354.460</b>	<b>434.814.795</b>	<b>(54.770.733)</b>	<b>9.023.336.771</b>	<b>1.809.148.662</b>	<b>48.888.742</b>	<b>(3.202.496.974)</b>	<b>10.059.275.723</b>
Financial income	-	-	-	-	22.900.000	-	-	22.900.000
Financial expenses (-)	(886.634)	(771.999.467)	(3.835.455)	(16.558.247)	(613.441.952)	(224.578.806)	772.626.680	(858.673.881)
Monetary (loss)/gain (Net)	92.543.631	669.139.667	(38.644.253)	(1.570.297.445)	(733.012.258)	373.680.405	(1.197.817.504)	(2.404.407.757)
<b>Profit / (loss) before tax from continued operations</b>	<b>2.092.011.457</b>	<b>331.954.995</b>	<b>(97.250.441)</b>	<b>7.436.481.079</b>	<b>485.594.452</b>	<b>197.990.341</b>	<b>(3.627.687.798)</b>	<b>6.819.094.085</b>
Tax (expense) / income for the period	(51.154.714)	(48.042.092)	(20.560.722)	(323.071.013)	(55.753.075)	(1.482.395)	1.028.698	(499.035.313)
Deferred tax (expense) / income	(45.679.702)	(25.479.462)	(364.686)	49.738.807	557.932.589	65.383.491	(14.523.342)	587.007.695
<b>Tax (expense) / income from continued operations</b>	<b>(96.834.416)</b>	<b>(73.521.554)</b>	<b>(20.925.408)</b>	<b>(273.332.206)</b>	<b>502.179.514</b>	<b>63.901.096</b>	<b>(13.494.644)</b>	<b>87.972.382</b>
Net profit / (loss) from continued operations	1.995.177.041	258.433.441	(118.175.849)	7.163.148.873	987.773.966	261.891.437	(3.641.182.442)	6.907.066.467
<b>Net income / (loss) for the period</b>	<b>1.995.177.041</b>	<b>258.433.441</b>	<b>(118.175.849)</b>	<b>7.163.148.873</b>	<b>987.773.966</b>	<b>261.891.437</b>	<b>(3.641.182.442)</b>	<b>6.907.066.467</b>
<b>Other comprehensive income not to be reclassified to profit or loss</b>								
Actuarial gain / (loss) arising from defined benefit plans	740.582	(15.520.915)	1.521	1.404.846	7.834.093	99	-	(5.539.774)
Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit or loss	-	-	12.772.992	25.844.938	3.423	-	-	38.621.353
Deferred tax income for other comprehensive income not to be reclassified to profit or loss	(90.886)	4.204.940	(2.391.337)	(5.939.531)	(1.402.815)	(25)	-	(5.619.654)
<b>Other comprehensive income to be reclassified to profit or loss</b>								
Foreign currency translation differences	-	-	-	-	(79.343.208)	-	-	(79.343.208)
Other comprehensive income/(expense) for financial assets at fair value difference is through other comprehensive income	-	-	-	-	(293.888)	-	-	(293.888)
Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss	-	-	-	-	682.909.929	-	-	682.909.929
<b>Total comprehensive income/ (expense)</b>	<b>1.995.826.737</b>	<b>247.117.466</b>	<b>(107.792.673)</b>	<b>7.184.459.126</b>	<b>1.597.481.500</b>	<b>261.891.511</b>	<b>(3.641.182.442)</b>	<b>7.537.801.225</b>
Distribution of profit / (loss) for the period								
Non-controlling interest	-	-	-	-	-	-	281.745.307	281.745.307
Parent company shares	1.995.177.041	258.433.441	(118.175.849)	7.163.148.873	987.773.966	261.891.437	(3.922.927.749)	6.625.321.160
Distribution of total comprehensive income/ (expense)								
Non-controlling interest	-	-	-	-	-	-	320.855.743	320.855.743
Parent company shares	1.995.826.737	247.117.466	(107.792.673)	7.184.459.126	1.597.481.500	261.891.511	(3.962.038.185)	7.216.945.482

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 4. SEGMENT REPORTING (CONTINUED)

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

Assets	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Elimination and classification	Total
<b>Current assets</b>							
Cash and cash equivalents	3.177.609.301	479.731.250	112.155.658	2.090.821.580	2.524.942.051	-	8.385.259.840
Financial investments	489.265.230	67.702.207	-	546.056.757	85.519.380	-	1.188.543.574
Trade receivables	39.956.728	5.480.211	30.652.082	90.469.668	6.130.710.372	(3.618.122.923)	2.679.146.138
Other receivables	258.601	8.539	29.229	3.931.113.849	270.073.905	(4.182.783.861)	18.700.262
Assets arising from customer contracts	-	-	-	-	24.404.359	-	24.404.359
Derivative instruments	-	-	-	10.512.951	-	-	10.512.951
Inventories	58.854	17.403.078	4.259.912	26.848.211	1.524.849.830	(159.976)	1.573.259.909
Prepaid expenses	902.155	4.671.559	8.417	4.506.320	626.768.629	-	636.857.080
Current income tax assets	9.120.880	5.972.898	-	2.039.467	65.311.719	-	82.444.964
Other current assets	13.334.042	29.201.378	-	11.324.340	101.596.009	577.723	156.033.492
Non-current assets held for sale	-	142.214	-	-	43.447.908	(12.079.473)	31.510.649
<b>Non-current assets</b>							
Financial investments	6.149.368.969	482.187	10.359.525	1.231.311.777	4.764.038.285	(10.719.055.018)	1.436.505.725
Trade receivables	-	-	-	-	147.813	-	147.813
Other receivables	285.692	1.192.083	-	15.731	110.258.388	-	111.751.894
Investments accounted for by equity method	5.232.178.180	-	865.472.752	25.209.875.460	3.552.956.626	(8.145.477.122)	26.715.005.896
Investment properties	476.605.667	-	6.409.667	208.929.390	8.084.586.787	(6.189.285.347)	2.587.246.164
Property, plant and equipment	13.586.615	446.737.532	-	1.678.261.911	517.427.508	1.396.754.167	4.052.767.733
Right of use assets	1.877.423	1.655.776.995	-	30.197.295	60.116.668	(1.239.536.853)	508.431.528
Intangible assets	618.450	3.821.390	-	392.874.168	42.814.068	28.409.371	468.537.447
Prepaid expenses	494.327	1.986.048	-	131.685	33.220.001	-	35.832.061
Deferred tax asset	-	101.135.243	-	381.530.007	525.731.840	(84.624.109)	923.772.981
Other non-current assets	249	908.299	-	-	204.342.967	-	205.251.515
<b>Total assets</b>	<b>15.605.521.363</b>	<b>2.822.353.111</b>	<b>1.029.347.242</b>	<b>35.846.820.567</b>	<b>29.293.265.113</b>	<b>(32.765.383.421)</b>	<b>51.831.923.975</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 4. SEGMENT REPORTING (CONTINUED)

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

Liabilities	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Elimination and classification	Total
<b>Current liabilities</b>							
Short-term financial liabilities	714.006	1.899.566	-	4.791.473	2.485.502.531	-	2.492.907.576
Short-term portion of long-term financial liabilities	-	-	-	47.834.050	19.609.735	-	67.443.785
Trade payables	5.158.613	274.993.050	14.137.418	7.569.161	5.188.461.991	(3.729.653.395)	1.760.666.838
Payables related to employee benefits	3.897.957	11.872.569	71.831	909.498	42.700.466	-	59.452.321
Other payables	3.280.317.471	1.947.510	3.990.039	5.120.692.034	932.162.047	(4.071.634.725)	5.267.474.376
Liabilities arising from customer contracts	-	18.393.947	-	-	1.314.625.228	-	1.333.019.175
Deferred income (Except for obligations arising from customer contracts)	-	65.671.595	85.418.368	-	1.014.641.120	-	1.165.731.083
Current income tax liabilities	-	3.703.869	9.518.945	77.723.976	20.609.981	-	111.556.771
Short-term provisions	-	-	-	40.402.430	24.219.772	-	64.622.202
Other current liabilities	713.644.573	75.476	-	6.074	84.501.269	(798.221.002)	6.390
<b>Non-current liabilities</b>							
Long-term financial liabilities	371.495	2.076.726.361	-	18.924.512	192.306.538	(2.056.430.839)	231.898.067
Other payables	-	-	-	-	524.752.490	-	524.752.490
Liabilities arising from customer contracts	-	74.117	-	-	167.093.506	-	167.167.623
Investments accounted for by equity method liabilities	-	-	-	-	138.222.369	-	138.222.369
Deferred income (Except for obligations arising from customer contracts)	-	-	-	-	229.986.795	-	229.986.795
Long-term provisions	11.289.197	39.360.935	32.444	6.225.013	72.406.693	-	129.314.282
Deferred tax liabilities	101.584.963	-	528.898	57.731.596	241.148.205	(1.665.889)	399.327.773
<b>Equity</b>							
Paid-in share capital	634.000.000	10.250.001	230.000	321.475.275	310.586.733	(841.542.009)	435.000.000
Inflation adjustment on capital	4.059.168.284	171.153.030	64.995.589	1.712.777.325	2.980.737.264	(5.149.249.658)	3.839.581.834
Repurchased shares (-)	(231.687.776)	-	-	-	(112.092.035)	54.703.312	(289.076.499)
Cross shareholding adjustment	-	-	-	-	-	(1.535.883)	(1.535.883)
Actuarial gain / (loss) arising from defined benefit plans	(3.830.207)	(13.216.307)	(31.826.229)	(26.623.104)	(19.493.544)	(9.217.816)	(104.207.207)
Foreign currency translation differences	-	-	-	-	1.585.411.141	(155.746.632)	1.429.664.509
Gains / (losses) from financial assets at fair value through other comprehensive income	6.155.726.366	-	2.542.992	108.886.865	2.978.487.098	(9.249.475.484)	(3.832.163)
Restricted reserves	470.642.952	23.520.918	45.001	53.529.798	323.801.441	(400.897.158)	470.642.952
Dividend advances paid (-)	-	-	-	(799.681.852)	-	799.681.852	-
Retained earnings or accumulated losses	93.961.182	(304.387.154)	637.495.092	10.276.867.078	7.916.162.516	(6.097.901.418)	12.522.197.296
Net profit or loss for the period	310.562.287	440.313.628	242.166.854	18.816.779.365	636.713.763	(3.740.311.196)	16.706.224.701
Non-controlling interest	-	-	-	-	-	2.683.714.519	2.683.714.519
<b>Total liabilities</b>	<b>15.605.521.363</b>	<b>2.822.353.111</b>	<b>1.029.347.242</b>	<b>35.846.820.567</b>	<b>29.293.265.113</b>	<b>(32.765.383.421)</b>	<b>51.831.923.975</b>

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 4. SEGMENT REPORTING (CONTINUED)

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

	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Elimination and classification	Total
Revenue (Outside the Group) (net)	39.302.189	1.120.143.796	86.006.064	1.862.612.770	9.163.811.958	-	12.271.876.777
Revenue (Within the Group)	71.110.099	-	-	567.530.575	238.874.787	(877.515.461)	-
Cost of sales (Outside the Group) (-)	(24.913.833)	(568.912.565)	(48.129.885)	(948.550.167)	(8.989.116.773)	(32.305.975)	(10.611.929.198)
Cost of sales (Within the Group) (-)	(79.696.782)	(141.403.963)	(757.572)	(828.219.996)	(47.017.372)	1.097.095.685	-
<b>Gross profit / (loss)</b>	<b>5.801.673</b>	<b>409.827.268</b>	<b>37.118.607</b>	<b>653.373.182</b>	<b>366.552.600</b>	<b>187.274.249</b>	<b>1.659.947.579</b>
General administrative expenses (-)	(49.265.156)	(144.405.666)	(193.241)	(78.557.181)	(571.397.509)	70.814.683	(773.004.070)
Marketing expenses (-)	-	(52.978.618)	(4.965.338)	-	-	-	(57.943.956)
Other income from operating activities	114.175.762	131.840.312	10.094.338	381.586.020	1.815.103.712	(164.136.089)	2.288.664.055
Other expenses from operating activities (-)	(101.619.575)	(67.268.696)	(2.729.750)	(206.523.704)	(941.858.054)	195.209.680	(1.124.790.099)
<b>Operating profit / (loss)</b>	<b>(30.907.296)</b>	<b>277.014.600</b>	<b>39.324.616</b>	<b>749.878.317</b>	<b>668.400.749</b>	<b>289.162.523</b>	<b>1.992.873.509</b>
Income from investing activities	573.984.877	19.573.871	2.551.855	2.139.756.741	1.616.374.317	(3.256.598.016)	1.095.643.645
Expenses from investing activities (-)	-	(828.287)	-	-	(39.912.944)	-	(40.741.231)
Share of profits/ (losses) of investments accounted by equity method	-	-	208.189.316	15.694.088.210	183.077.290	(387.396.364)	15.697.958.452
<b>Operating profit/ (loss) before financial income / (expense)</b>	<b>543.077.581</b>	<b>295.760.184</b>	<b>250.065.787</b>	<b>18.583.723.268</b>	<b>2.427.939.412</b>	<b>(3.354.831.857)</b>	<b>18.745.734.375</b>
Financial incomes	-	-	-	10.512.951	-	-	10.512.951
Financial expenses (-)	(247.141)	(665.980.664)	(288.641)	(18.859.168)	(152.812.757)	661.916.479	(176.271.892)
Monetary (loss)/gain (Net)	(159.030.424)	887.699.141	1.761.459	(179.446.504)	(1.771.120.229)	(926.139.201)	(2.146.275.758)
<b>Profit / (loss) before tax from continued operations</b>	<b>383.800.016</b>	<b>517.478.661</b>	<b>251.538.605</b>	<b>18.395.930.547</b>	<b>504.006.426</b>	<b>(3.619.054.579)</b>	<b>16.433.699.676</b>
Tax (expense) / income for the period	(25.426.094)	(36.799.787)	(9.681.091)	(94.976.829)	(13.747.183)	-	(180.630.984)
Deferred tax (expense) / income	(47.811.635)	(40.365.246)	309.340	515.825.647	146.454.520	68.888.420	643.301.046
<b>Tax (expense) / income from continued operations</b>	<b>(73.237.729)</b>	<b>(77.165.033)</b>	<b>(9.371.751)</b>	<b>420.848.818</b>	<b>132.707.337</b>	<b>68.888.420</b>	<b>462.670.062</b>
Net profit / (loss) from continued operations	310.562.287	440.313.628	242.166.854	18.816.779.365	636.713.763	(3.550.166.159)	16.896.369.738
<b>Net income / (loss) for the period</b>	<b>310.562.287</b>	<b>440.313.628</b>	<b>242.166.854</b>	<b>18.816.779.365</b>	<b>636.713.763</b>	<b>(3.550.166.159)</b>	<b>16.896.369.738</b>
<b>Other comprehensive income not to be reclassified to profit or loss</b>							
Actuarial gain / (loss) arising from defined benefit plans	(4.787.759)	(16.520.383)	(1.521)	(3.174.952)	(24.223.466)	-	(48.708.081)
Share of other comprehensive income of investments accounted by equity method not to be reclassified to profit or loss	-	-	(40.814.377)	(40.974.881)	(1.069)	-	(81.790.327)
Deferred tax income for other comprehensive income not to be reclassified to profit or loss	957.551	3.304.076	8.163.178	8.829.967	4.730.992	-	25.985.764
<b>Other comprehensive income to be reclassified to profit or loss</b>							
Foreign currency translation differences	-	-	-	-	843.566.318	-	843.566.318
Other comprehensive income (expense) for financial assets at fair value difference is through other comprehensive income	-	-	-	-	1.523.172	-	1.523.172
Share of other comprehensive income of investments accounted by equity method to be reclassified to profit or loss	-	-	-	-	(42.145.054)	-	(42.145.054)
<b>Total comprehensive income/ (expense)</b>	<b>306.732.079</b>	<b>427.097.321</b>	<b>209.514.134</b>	<b>18.781.459.499</b>	<b>1.420.164.656</b>	<b>(3.550.166.159)</b>	<b>17.594.801.530</b>
Distribution of profit / (loss) for the period							
Non-controlling interest	-	-	-	-	-	190.145.037	190.145.037
Parent company shares	310.562.287	440.313.628	242.166.854	18.816.779.365	636.713.763	(3.740.311.196)	16.706.224.701
Distribution of total comprehensive income/ (expense)							
Non-controlling interest	-	-	-	-	-	260.270.638	260.270.638
Parent company shares	306.732.079	427.097.321	209.514.134	18.781.459.499	1.420.164.656	(3.810.436.797)	17.334.530.892

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 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 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)	4.810.721	38.719.361	-	2.073.853	31.561.852	959.719	(37.397.763)	40.727.743
Property, plant and equipment (Note 18, 29)	3.603.996	44.602.530	-	169.940.843	97.100.866	45.481.845	-	360.730.080
Intangible assets (Note 19, 29)	187.989	1.413.229	-	9.876.850	2.495.630	2.032.168	-	16.005.866
<b>Current period depreciation expenses</b>	<b>8.602.706</b>	<b>84.735.120</b>	<b>-</b>	<b>181.891.546</b>	<b>131.158.348</b>	<b>48.473.732</b>	<b>(37.397.763)</b>	<b>417.463.689</b>
Provision no longer required for termination indemnity (Note 30)	(2.797.281)	(17.468.836)	(10.074)	(1.511.880)	(19.693.680)	-	-	(41.481.751)
Current period termination indemnity expenses	3.916.224	25.714.246	1.521	2.975.750	24.624.802	21.518	-	57.254.061
<b>Total termination indemnity expense for the period</b>	<b>1.118.943</b>	<b>8.245.410</b>	<b>(8.553)</b>	<b>1.463.870</b>	<b>4.931.122</b>	<b>21.518</b>	<b>-</b>	<b>15.772.310</b>

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 2022 is as follows (TL):

	Holding	Tourism	Industry and merchandising	Energy	Contracting and land development	Elimination	Total
Right of use assets (Note 20, 29)	1.072.784	38.382.292	-	566.246	29.612.571	(35.820.729)	33.813.164
Property, plant and equipment (Note 18, 29)	1.852.763	42.768.121	-	172.411.994	87.977.181	-	305.010.059
Intangible assets (Note 19, 29)	114.227	2.833.962	-	9.877.156	2.028.157	-	14.853.502
<b>Current period depreciation expenses</b>	<b>3.039.774</b>	<b>83.984.375</b>	<b>-</b>	<b>182.855.396</b>	<b>119.617.909</b>	<b>(35.820.729)</b>	<b>353.676.725</b>
Provision no longer required for termination indemnity (Note 30)	(16.929)	(2.447.952)	-	(113.601)	(8.709.368)	-	(11.287.850)
Current period termination indemnity expense	1.540.739	7.001.986	15.078	1.145.080	9.007.321	-	18.710.204
<b>Total termination indemnity expense for the period</b>	<b>1.523.810</b>	<b>4.554.034</b>	<b>15.078</b>	<b>1.031.479</b>	<b>297.953</b>	<b>-</b>	<b>7.422.354</b>



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### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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#### 5. CASH AND CASH EQUIVALENTS

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

	31 December 2023	31 December 2022
Cash	192.439	467.107
Checks Received	15.556.100	692.046
Banks	3.041.534.369	8.237.821.176
- TL demand deposits	6.610.906	175.759.395
- foreign currency demand deposits	69.739.062	337.865.230
- TL time deposit	1.046.376.357	54.239.556
- foreign currency time deposit	1.918.808.044	7.669.956.995
Other liquid assets	50	165
Investment funds (*)	216.584.184	146.279.346
<b>Total</b>	<b>3.273.867.142</b>	<b>8.385.259.840</b>

As of 31 December 2023, the interest rates applied to time deposits are %19,00– %45,00 for TL deposits (31 December 2022 - %10,00 – %23,00); %2,25–%3,00 for Euro deposits (31 December 2022 - 1,35–%3,25); için %3,00 – %4,75 for deposits denominated in US dollars (31 December 2022 - %0,03 – %4,25) no deposits RON (31 December 2022 – %4,80–%8,40.); for GBP deposits %2,00–%2,75 (31 December 2022 , no GBP deposits)

TL 782.582 consists of blocked deposit loans and has been classified to demand account since it is shorter than 3 months ( 31 December 2022: TL 812.073).

#### 6. FINANCIAL INVESTMENTS

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

	31 December 2023	31 December 2022
Financial assets at fair value through profit / (loss)		
-Investment funds (*)	831.527.917	311.528.677
Value increase in marketable securities (Note 31)	291.873.638	69.631.265
- Public sector notes, promissory notes and bonds (*)	599.442.986	33.546.701
- Currency protected deposit account	1.856.266.929	745.413.717
- Foreign currency government debt securities (**)	2.379.118.294	-
Financial assets at amortized cost		
- Public sector notes, promissory notes and bonds (*)	494.634.502	28.423.214
<b>Total</b>	<b>6.452.864.266</b>	<b>1.188.543.574</b>

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

(\*\*) As of the 31 December 2023 foreign currency government debt securities interest rate is %3,74.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 6. FINANCIAL INVESTMENTS (CONTINUED)

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

	31 December 2023		31 December 2022	
	Participat on rate %	Participation amount	Participation rate %	Participation amount
Financial assets at fair value through other comprehensive income				
-TSKB A.Ş.	< %1	3.035.753	< %1	3.329.641
Financial assets at fair value through profit / (loss)				
- Public sector notes, promissory notes and bonds (*)		1.157.463.955		501.087.349
-Investments in foreign companies		595.385.340		450.074.536
- Barr Operation and Maintenance LLP (**)		-		395.532
Financial assets at amortized cost				
- Public sector notes, promissory notes and bonds (*)		-		481.618.667
<b>Total</b>		<b>1.755.885.048</b>		<b>1.436.505.725</b>

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

(\*\*) Included in consolidation as of September 30, 2023.

#### 7. FINANCIAL LIABILITIES

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

	31 December 2023	31 December 2022
Short term financial liabilities	4.937.976.145	2.470.332.109
Shot term lease obligations	19.675.302	22.575.467
Short term parts of long term borrowings	158.373.468	67.443.785
<b>Total</b>	<b>5.116.024.915</b>	<b>2.560.351.361</b>

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

	31 December 2023	31 December 2022
Long-term borrowings	516.018.527	186.928.083
Long-term lease obligations	55.740.653	44.969.984
<b>Total</b>	<b>571.759.180</b>	<b>231.898.067</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 7. FINANCIAL LIABILITIES (CONTINUED)

As of 31 December 2023 and 2022, the maturities and interest rates of short term bank loans are as follows:

31 December 2023						
	Maturity date	Effective interest rate	Currency	Original amount of foreign currency	Foreign exchange rate	TL Amount
Bank loans	19.02.2024-18.12.2024	%8,32-%36,00	TL	386.253.693	-	386.253.693
Bank loans	28.03.2024-12.08.2024	%7,20-%8,00	USD	26.091.553	29,4913	769.473.817
Bank loans	24.02.2024-27.11.2024	%2,10-%8,75	Euro	120.757.221	32,6326	3.940.622.103
Leases	1.01.2024-31.12.2024	%14,59-%37,94	TL	17.076.162	-	17.076.162
Leases	1.01.2024-31.12.2024	%4,00	Euro	79.649	32,6326	2.599.140
<b>Total</b>						<b>5.116.024.915</b>

31 December 2022						
	Maturity date	Effective interest rate	Currency	Original amount of foreign currency	Foreign exchange rate	TL Amount
Bank loans	03.03.2023-15.12.2023	%10,00-%11,00	TL	40.938.183	-	67.455.039
Bank loans	28.03.2023	%5,10	USD	15.184.226	18,732	468.665.123
Bank loans	27.02.2023-14.03.2023	%1,70-%7,50	Euro	60.828.637	19,9708	2.001.655.732
Leases	01.01.2023-31.12.2023	%9,00-%24,00	TL	8.773.158	-	14.455.789
Leases	01.03.2023	%5,40	USD	3.001	18,732	92.640
Leases	01.03.2023	%1,80	Ron	1.200.309	4,0586	8.027.038
<b>Total</b>						<b>2.560.351.361</b>

As of 31 December 2023 and 2022, the maturities and interest rates of long term bank loans are as follows:

31 December 2023						
	Maturity date	Effective interest rate	Currency	Original amount of foreign currency	Foreign exchange rate	TL Amount
Bank loans	27.01.2025-18.08.2033	%8,32-%36,00	TL	516.018.527	-	516.018.527
Leases	1.01.2025-28.02.2062	%14,59-%50,97	TL	50.555.321	-	50.555.321
Leases	1.01.2025-19.10.2025	%4,00	Euro	158.900	32,6326	5.185.332
<b>Total</b>						<b>571.759.180</b>

31 December 2022						
	Maturity date	Effective interest rate	Currency	Original amount of foreign currency	Foreign exchange rate	TL Amount
Bank loans	15.03.2024-15.12.2032	%10,00	TL	113.445.877	-	186.928.083
Leases	01.01.2024-28.02.2062	%9,00-%24,00	TL	27.292.097	-	44.969.984
<b>Total</b>						<b>231.898.067</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

#### 7. FINANCIAL LIABILITIES (CONTINUED)

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

	<b>Bank loans</b>	<b>Leases</b>	<b>Bank loans and other financial liabilities</b>	<b>Leases</b>
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2023 (TL)</b>	<b>2023 (TL)</b>	<b>2022 (TL)</b>	<b>2022 (TL)</b>
Within 1 year	<b>5.096.349.613</b>	<b>19.675.302</b>	2.537.775.894	22.575.467
Within 1 – 2 years	<b>154.663.052</b>	<b>15.147.337</b>	22.962.657	8.223.996
Within 2 – 3 years	<b>113.593.119</b>	<b>8.061.354</b>	34.082.174	6.352.309
Within 3 – 4 years	<b>81.460.926</b>	<b>6.582.106</b>	29.124.712	5.561.748
4 years and longer	<b>166.301.430</b>	<b>25.949.856</b>	100.758.540	24.831.931
<b>Total (Note 36 (ii))</b>	<b>5.612.368.140</b>	<b>75.415.955</b>	2.724.703.977	67.545.451

As of 31 December 2023, the movement schedule of financial liabilities is as follows (TL) :

	<b>Bank loans</b>	<b>Leases</b>	<b>Other financial liabilities</b>
Opening balance, 1 January 2023	2.724.703.977	67.545.451	-
Uses	3.346.935.149	58.052.571	-
Business combinations effect	33.078.695	-	-
Interest accruals	93.870.075	14.746.066	-
Principal payments	(620.827.019)	(31.253.930)	-
Interest payments	(22.543.126)	-	-
Effective interest rate effect	(1.608.576)	-	-
Adjustments related to unrealized exchange rate differences	1.129.851.414	(864.568)	-
Monetary gain/(loss)	(1.071.092.449)	(32.809.635)	-
<b>Closing balance, 31 December 2023</b>	<b>5.612.368.140</b>	<b>75.415.955</b>	<b>-</b>

As of 31 December 2022, the movement schedule of financial liabilities is as follows (TL) :

	<b>Bank loans</b>	<b>Leases</b>	<b>Other financial liabilities</b>
Opening balance, 1 January 2022	492.811.391	94.332.387	28.722.196
Uses	2.226.847.423	143.368.002	-
Interest accruals	38.022.097	5.074.932	2.059.222
Principal payments	(142.743.948)	(139.548.137)	(19.543.848)
Interest payments	(14.421.134)	-	-
Effective interest rate effect	232.325	-	(165)
Adjustments related to unrealized exchange rate differences	316.765.632	1.225.307	-
Monetary gain/(loss)	(192.809.809)	(36.907.040)	(11.237.405)
<b>Closing balance, 31 December 2022</b>	<b>2.724.703.977</b>	<b>67.545.451</b>	<b>-</b>

## ALARKO HOLDING A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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#### 8. TRADE RECEIVABLES AND PAYABLES

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

	31 December 2023	31 December 2022
Customers	2.607.877.038	2.127.041.950
Rediscount on receivables (-)	(4.709.431)	(3.209.463)
Other short term receivables	300.421.361	535.435.743
Doubtful trade receivables	18.976.288	7.120.535
Provision for doubtful trade receivables (-)	(18.976.288)	(7.120.535)
<b>Total</b>	<b>2.903.588.968</b>	<b>2.659.268.230</b>
Trade receivables from related parties	25.257.261	19.877.908
<b>Total trade receivables from related parties (Note 35)</b>	<b>25.257.261</b>	<b>19.877.908</b>
<b>Grand Total (Note 36 (i))</b>	<b>2.928.846.229</b>	<b>2.679.146.138</b>

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

	31 December 2023	31 December 2022
Customers	146.583	147.813
<b>Total (Note 36 (i))</b>	<b>146.583</b>	<b>147.813</b>

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

	31 December 2023	31 December 2022
Opening balance	7.120.535	28.763.895
Expense for the current period (Note 28)	13.371.641	94.189
Collections / provisions no longer required (Note 30)	(25.129)	(374)
Bad debt cancellation	-	(11.093.808)
Currency translation difference	1.308.352	10.483.456
Monetary gain/(loss)	(2.799.111)	(21.126.823)
<b>Closing balance</b>	<b>18.976.288</b>	<b>7.120.535</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

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

	31 December 2023	31 December 2022
Suppliers	1.894.300.030	1.751.021.247
Rediscount for payables (-)	(6.350.941)	(2.365.328)
Other trade payables	53.103.125	6.421.912
<b>Total</b>	<b>1.941.052.214</b>	<b>1.755.077.831</b>
Trade payables to related parties	3.035.769	5.589.007
<b>Total trade payables to related parties (Note 35)</b>	<b>3.035.769</b>	<b>5.589.007</b>
<b>Grand Total (Note 36(ii))</b>	<b>1.944.087.983</b>	<b>1.760.666.838</b>

#### 9. OTHER RECEIVABLES AND PAYABLES

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

	31 December 2023	31 December 2022
Deposits and guarantees given	10.131.888	7.707.589
Other miscellaneous receivables	9.066.746	8.895.700
<b>Total</b>	<b>19.198.634</b>	<b>16.603.289</b>
Other receivables from related parties	849.484	2.096.973
<b>Total other receivables from related parties (Note 35)</b>	<b>849.484</b>	<b>2.096.973</b>
<b>Grand Total (Note 36(ii))</b>	<b>20.048.118</b>	<b>18.700.262</b>

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

	31 December 2023	31 December 2022
Deposits and guarantees given	3.287.439	1.529.197
Other miscellaneous receivables	-	158.882
<b>Total</b>	<b>3.287.439</b>	<b>1.688.079</b>
Other receivables from related parties	93.540.684	110.063.815
<b>Total other receivables from related parties (Note 35)</b>	<b>93.540.684</b>	<b>110.063.815</b>
<b>Grand Total (Note 36(ii))</b>	<b>96.828.123</b>	<b>111.751.894</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 9. OTHER RECEIVABLES AND PAYABLES (CONTINUED)

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

	31 December 2023	31 December 2022
Taxes, duties, and other withholdings payable	100.933.011	162.064.019
Deposits and guarantees received	12.310.751	2.004.441
Other miscellaneous payables	19.058.114	13.754.741
<b>Total</b>	<b>132.301.876</b>	<b>177.823.201</b>
Other payables to related parties	4.321.828.294	5.089.651.175
Total other receivables from related parties (Note 35)	4.321.828.294	5.089.651.175
<b>Grand Total (Note 36(ii))</b>	<b>4.454.130.170</b>	<b>5.267.474.376</b>

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

	31 December 2023	31 December 2022
Deposits and guarantees given	585.924.855	524.752.490
<b>Grand Total (Note 36(ii))</b>	<b>585.924.855</b>	<b>524.752.490</b>

#### 10. INVENTORIES

Inventories consist of the following (TL) :

	31 December 2023	31 December 2022
Raw materials and supplies	307.369.796	843.502.328
Semi-finished Goods in Production	15.283.258	-
Finished Goods	34.313.335	-
Merchandise (*)	746.922.300	729.793.775
Other inventories	215.424	8.010
Inventory impairment provision (-)	(44.204)	(44.204)
<b>Total</b>	<b>1.104.059.909</b>	<b>1.573.259.909</b>

(\*) TL 724.916.261 (31 December 2022 – 724.916.261 TL) part of merchandise balance, having a total amount of TL 746.922.300 (31 December 2022 – TL 729.793.775) as of 31 December 2023, consists of real estates.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 10. INVENTORIES (CONTINUED)

As of 31 December 2023 and 2022, details of real estates consist of the following (TL) :

	31 December 2023				31 December 2022			
	Adjusted book value (TL)	Sales value (TL)	Expertise value (TL)	Expertise date	Adjusted book value (TL)	Sales value (TL)	Expertise value (TL)	Expertise date
<b>Land in Büyükçekmece</b>								
Land cost (3 parcels)	53.426.899	-	678.390.000	29.12.2023	53.426.899	-	550.077.911	29.12.2022
<b>Land in Orhanlı and Kocataş</b>								
Land Cost	671.489.362	-	2.803.230.000	29.12.2023- 9.10.2023	671.489.362	-	2.374.344.803	05.01.2023
<b>Total</b>	<b>724.916.261</b>	<b>-</b>	<b>3.481.620.000</b>		<b>724.916.261</b>	<b>-</b>	<b>2.924.422.714</b>	

**Land in Büyükçekmece:** There are 3 parcels of land with a total area of 622.651 m<sup>2</sup>. According to the appraisal report dated 29 December 2022 and 29 December 2023, equal comparison and income reduction methods have been used and equal comparison has been taken into consideration

**Lands in Orhanlı and Kocataş:** There is a land of 103.820,54 m<sup>2</sup> located in Orhanlı Village of Tuzla District in Istanbul, and a land of 369.411 m<sup>2</sup> located in Kocataş Village of Maden District in Sarıyer. In accordance with the appraisal report dated 9 October 2023, cost approach method is used in the determination of appraiser value, in accordance with the appraisal report dated 29 December 2023 equal comparison method is used in the determination of appraiser value

As of 31 December 2023 the real estates in the inventories have been valued by Reel Gayrimenkul Değerleme A.Ş. (31 December 2022 TSKB Gayrimenkul Değerleme A.Ş.).



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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#### 11. PREPAID EXPENSES

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

	31 December 2023	31 December 2022
Advances given	320.067.351	257.993.743
Advances given to sub-contractors	388.197.141	289.975.042
Prepaid expenses	112.539.091	88.888.295
<b>Total</b>	<b>820.803.583</b>	<b>636.857.080</b>

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

	31 December 2023	31 December 2022
Advances given	530.966.498	11.066.632
Prepaid expenses	33.646.200	24.765.429
<b>Total</b>	<b>564.612.698</b>	<b>35.832.061</b>

#### 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 2023	31 December 2022
Costs related to on-going constructions		
Estimated earnings	21.918.934.193	18.180.845.302
Costs related to on-going constructions	1.051.427.235	1.140.522.423
Less: Total invoiced progress payment for the end of period	(23.227.929.993)	(20.082.459.158)
<b>Total</b>	<b>(257.568.565)</b>	<b>(761.091.433)</b>

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

	31 December 2023	31 December 2022
Receivables from on-going constructions	366.822.075	24.404.359
Progress payments from on-going constructions contracts	(624.390.640)	(785.495.792)
<b>Total</b>	<b>(257.568.565)</b>	<b>(761.091.433)</b>

Total amount of short and long term advances received by the subsidiaries of the Group related to on-going constructions contracts is TL 861.586.083 as of 31 December 2023 (31 December 2022 – TL 1.244.427.459) 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 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

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

	31 December 2023	31 December 2022
Contractual assets arising from ongoing construction and contracting works	366.822.075	24.404.359
Contract assets arising from sales of goods and services	120.996	-
<b>Total</b>	<b>366.943.071</b>	<b>24.404.359</b>

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

	31 December 2023	31 December 2022
Progress payments for ongoing construction contracts	624.390.640	785.495.792
Payables arising from ongoing construction and contracting works	143.003.575	529.129.436
Contract liabilities arising from sales of goods and services	11.575.381	18.393.947
<b>Total</b>	<b>778.969.596</b>	<b>1.333.019.175</b>

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

	31 December 2023	31 December 2022
Payables arising from ongoing construction and contracting works	143.003.575	167.093.506
Contract liabilities arising from sales of goods and services	418.486	74.117
<b>Total</b>	<b>143.422.061</b>	<b>167.167.623</b>

#### 13. DERIVATIVE INSTRUMENTS

The details of short-term derivative instruments as of 31 December 2023 and 2022 are as follows;

				31 December 2023	31 December 2022
	Contract amount	Currency type	Maturity date	Asset / (liability) amount at fair value (TL)	Asset / (liability) amount at fair value (TL)
Forward transactions	207.250.000	Euro	31.12.2024	(2.754.037)	-
Forward transactions	168.200.000	Euro	30.04.2024	(2.549.156)	-
Forward transactions	119.310.000	TL	31.05.2023	-	10.512.951
<b>Total</b>				<b>(5.303.193)</b>	<b>10.512.951</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

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

	<b>31 December 2023</b>	31 December 2022
Advances received from commitment works	<b>520.268.037</b>	1.014.440.664
Advances received	<b>75.257.421</b>	146.800.403
Deferred income related to following months	<b>234.500</b>	4.490.016
<b>Total</b>	<b>595.759.958</b>	1.165.731.083

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

	<b>31 December 2023</b>	31 December 2022
Advances received from commitment works	<b>341.318.046</b>	229.986.795
<b>Total</b>	<b>341.318.046</b>	229.986.795

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

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

	31 December 2023		31 December 2022	
	Partnership rate%	Partnership amount	Partnership rate%	Partnership amount
Alarko Carrier Sanayi ve Ticaret A.Ş.	43,03	626.698.016	43,12	865.420.285
Bakad International B.V. (*)	33,27	1.835.115.111	33,27	1.774.176.451
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Spain)	44,96	59.461.013	44,96	73.394.885
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (**)	49,96	25.892.410.574	49,96	24.002.014.275
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (***)	12,13	95.006.000	12,13	-
Al-Riva Arazi Değ. Konut İnş. Turistik Tes.Golf İşl. ve Tic. A.Ş. (***)	2,28	81.358.805	2,28	-
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (***)	2,63	22.502.540	2,63	-
<b>Total</b>		<b>28.612.552.059</b>		<b>26.715.005.896</b>

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

	31 December 2023		31 December 2022	
	Partnership rate%	Partnership amount	Partnership rate%	Partnership amount
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Turkey)	45,00	25.372.495	45,00	41.778.392
Alarko – Makyol Adi Ortaklığı	49,95	1.503.032	49,95	1.796.926
Barr Operation and Maintenance LLP	24,98	1.019.571	-	-
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (***)	2,63	-	2,63	24.459.261
Al-Riva Arazi Değ. Konut İnş. Turistik Tes.Golf İşl. ve Tic. A.Ş. (***)	2,28	-	2,28	65.406.678
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (***)	12,13	-	12,13	4.781.112
<b>Total</b>		<b>27.895.098</b>		<b>138.222.369</b>
<b>Net</b>		<b>28.584.656.961</b>		<b>26.576.783.527</b>

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

(\*\*) Since Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş., owns the 100% shares of Meram Elektrik Dağıtım A.Ş., Cenal Elektrik Üretim A.Ş., Algiz Enerji A.Ş., Panel Enerji A.Ş., 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 2023

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

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

	31 December 2023	31 December 2022
Opening balance	26.576.783.527	12.277.840.288
Net profit / (loss) for the period	6.146.624.648	16.085.354.817
Dividends received	(4.155.664.781)	(1.901.342.432)
Other comprehensive income	713.488.434	(107.577.316)
Capital increase	51.802.291	556.754.777
Effects of rate changes	(22.089.193)	(1.183.446)
Investment valued according to the equity method exiting the consolidation (*)	-	(260.918)
Monetary gain/(loss)	(726.287.965)	(332.802.243)
<b>Closing Balance</b>	<b>28.584.656.961</b>	<b>26.576.783.527</b>

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

	31 December 2023		31 December 2022		31 December 2022	
	before elimination	Elimination	before elimination	Elimination	before elimination	Elimination
Alarko Carrier Sanayi ve Ticaret A.Ş.	(172.914.282)	(1.014.498)	(173.928.780)	208.189.316	197.321	208.386.637
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Spain)	-	-	-	(992)	-	(992)
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. (Turkey)	16.405.897	-	16.405.897	26.962.737	-	26.962.737
Bakad International B.V. (*)	38.521.979	-	38.521.979	156.597.148	-	156.597.148
Barr Operation and Maintenance LLP	(961.017)	-	(961.017)	-	-	-
Alarko – Makyol Adi Ortaklığı	293.895	-	293.895	521.060	-	521.060
Doğuş-Alarko-YDA İnş. Adi Ortaklığı	-	-	-	14.717	-	14.717
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (**)	5.971.766.368	(506.150.079)	5.465.616.289	15.694.088.210	(397.154.207)	15.296.934.003
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (***)	99.784.524	8.318.698	108.103.222	4.952.033	8.051.370	13.003.403
Al-Riva Arazi Değ. Konut İnş.Turistik Tes.Golf İşl. ve Tic. A.Ş. (***)	146.765.483	272.964	147.038.447	(5.673.347)	285.677	(5.387.670)
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (***)	46.961.801	1.159.240	48.121.041	(296.066)	1.223.475	927.409
<b>Total</b>	<b>6.146.624.648</b>	<b>(497.413.675)</b>	<b>5.649.210.973</b>	<b>16.085.354.816</b>	<b>(387.396.364)</b>	<b>15.697.958.452</b>

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

(\*\*) Since Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş., owns the 100% shares of Meram Elektrik Dağıtım A.Ş., Cenal Elektrik Üretim A.Ş., Algiz Enerji A.Ş., 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 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 2023

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

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

	31 December 2023								
	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
Alarko Carrier Sanayi ve Ticaret A.Ş.	372.962.862	2.606.489.090	882.270.309	3.861.722.261	993.753.131	1.122.133.713	153.437.379	101.290.542	2.370.614.765
Obrascon Huarte Lain SA – Alsım Alarko San.Tes.ve Ticaret A.Ş.(Spain)	789.799	1.482.112.450	-	1.482.902.249	-	526.897.130	-	-	526.897.130
Alarko – Makyol Adi Ortaklığı	27.718	-	691.508	719.226	-	3.560.702	-	167.327	3.728.029
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (*)	1.243.745.288	21.843.076.818	45.852.888.485	68.939.710.591	5.593.967.499	6.815.962.805	1.481.826.794	3.225.861.203	17.117.618.301
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (**)	-	11.080.970	799.188.250	810.269.220	-	78.935.488	-	877.837	79.813.325
Al-Riva Arazi Değ. Konut İnş. Turistik Tes.Golf İsl. ve Tic. A.Ş. (**)	-	399.808	1.320.710.228	1.321.110.036	-	2.825.864	-	385.278	3.211.142
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (**)	-	1.622.688	414.069.102	415.691.790	-	11.934.969	-	168.074	12.103.043
Obrascon Huarte Lain SA – Alsım Alarko San.Tes.ve Ticaret A.Ş.(Turkey)	8.415	-	-	8.415	-	56.391.738	-	-	56.391.738
Bakad International B.V. (***)	1.010.411.990	294.278.230	20.977.583.927	22.282.274.147	189.885.014	34.083.980	16.219.509.244	322.920.770	16.766.399.008
Barr Operation and Maintenance LLP	36.603.226	35.737.871	156.639.871	228.980.968	-	233.062.968	-	-	233.062.968

  

	31 December 2022								
	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
Alarko Carrier Sanayi ve Ticaret A.Ş.	911.309.540	2.628.815.531	418.638.071	3.958.763.142	797.300.136	913.942.438	66.053.014	174.300.260	1.951.595.848
Obrascon Huarte Lain SA – Alsım Alarko San.Tes.ve Ticaret A.Ş.(Spain)	796.428	1.494.552.903	-	1.495.349.331	-	531.319.129	-	-	531.319.129
Alarko – Makyol Adi Ortaklığı	11.554	-	1.021.412	1.032.966	-	4.483.402	-	146.691	4.630.093
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş. (*)	6.925.596.536	22.219.022.786	41.951.512.112	71.096.131.434	4.283.374.749	8.869.069.225	7.136.593.960	2.768.515.607	23.057.553.541
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş. (**)	-	12.439.363	684.352.684	696.792.047	-	92.004.970	-	123.852.034	215.857.004
Al-Riva Arazi Değ. Konut İnş. Turistik Tes.Golf İsl. ve Tic. A.Ş. (**)	-	459.583	1.163.655.684	1.164.115.267	-	3.460.910	-	209.669.169	213.130.079
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş. (**)	-	1.866.905	364.850.612	366.717.517	-	14.742.370	-	65.790.902	80.533.272
Obrascon Huarte Lain SA – Alsım Alarko San.Tes.ve Ticaret A.Ş.(Turkey)	36.875	-	-	36.875	-	92.877.748	-	-	92.877.748
Bakad International B.V. (***)	875.628.463	46.052.327	20.913.504.885	21.835.185.675	186.507.457	1.047.360.636	14.976.110.056	292.498.031	16.502.476.180

(\*) 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., 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%.

(\*\*\*) 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 2023

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

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

	1 January 2023- 31 December 2023		1 January 2022- 31 December 2022	
	Revenue	Net profit / loss	Revenue	Net profit / loss
Alarko Carrier Sanayi ve Ticaret A.Ş.	5.542.863.421	(411.416.305)	4.160.312.244	482.853.004
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş.(Spain)	-	-	-	(2.205)
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş.(Turkey)	-	36.457.549	-	59.917.194
Alarko – Makyol Adi Ortaklığı	-	588.325	-	1.043.070
Doğuş-Alarko-YDA İnş. Adi Ortaklığı	-	-	-	39.282
Alcen Enerji Dağıtım ve Perakende Satış Hiz.A.Ş.	64.388.086.992	11.952.128.717	102.835.090.776	31.410.767.058
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş.	-	249.461.312	358	12.380.083
Al-Riva Arazi Değ. Konut İnş.Turistik Tes.Golf İşl. ve Tic. A.Ş.	-	366.913.707	-	(14.183.368)
Al-Riva Arazi Ar. Değ. Konut İnş. ve Tic. A.Ş.	-	117.404.502	-	(740.163)
Bakad International B.V.	1.232.209.222	115.786.975	8.082.791.349	470.689.990
Barr Operation and Maintenance LLP	105.893.889	(3.847.570)	-	-

	1 January 2023- 31 December 2023		1 January 2022- 31 December 2022	
	Other comprehensive income	Deferred tax expense / income	Other comprehensive income	Deferred tax expense / income
Alarko Carrier Sanayi ve Ticaret A.Ş.	29.624.372	(5.545.518)	(94.660.690)	18.932.138
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş.(Spain)	33.181.223	-	(178.557.215)	-
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.	51.727.079	(11.310.092)	(82.008.744)	16.401.749
Al-Riva Projesi Ar. Değ.Konut İnş. ve Tic. A.Ş.	28.201	(6.877)	(8.815)	1.763
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.	2.008.677.350	-	889.069.860	-
Barr Operation and Maintenance LLP	(1.156.898)	-	-	-

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 16. INVESTMENT PROPERTIES

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

<b>Fair value</b>	<b>Investment properties</b>
As of 1 January 2022	1.967.742.569
Increase arising from change in fair value (Note 31)	722.817.018
Foreign currency translation difference	(51.616.959)
Sale of investment property (*)	(51.630.648)
Disposals	(65.816)
<b>As of 31 December 2022</b>	<b>2.587.246.164</b>
Increase arising from change in fair value (Note 31)	451.301.401
Foreign currency translation difference	(140.408.003)
<b>As of 31 December 2023</b>	<b>2.898.139.562</b>

(\*) Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of subsidiaries, at the meeting of the Board of Directors at the company headquarters on September 27, 2022; The independent sections no. 1-2-3-4 of Alarko-DİM Business Center located in Istanbul Province, Beyoğlu District, Evliyaçelebi District, Şimal Kuytu Street, island 299, parcel no. 29, are sold at a price of 39.640.000 TL + VAT. It was unanimously decided to sell it to Sürgü Gayrimenkul Yatırım A.Ş. and to collect the sales price in cash during the title deed transfer. The title deed transfer procedures for the sale in question were completed on September 30, 2022, and the entire sales price of 39.640.000 TL + VAT was collected.

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

<b>Name of Property</b>	<b>Expertise report date</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
		<b>Fair Value (TL)</b>	<b>Fair Value (TL)</b>
Maslak Land	29.12.2023	561.080.000	29.12.2022 453.043.140
Eyüp Topçular – Factory	29.12.2023	416.000.000	29.12.2022 338.303.518
Ankara Çankaya Business Center	29.12.2023	44.200.000	29.12.2022 35.945.212
İstanbul Karaköy Business Center	29.12.2023	108.800.000	29.12.2022 82.122.823
Büyükçekmece Alkent 2000-Stores	29.12.2023	68.040.000	29.12.2022 53.888.983
Antalya Land	29.12.2023	225.765.000	05.01.2023 194.000.953
İstanbul Sarıyer Land	29.12.2023	549.810.000	05.01.2023 476.605.667
Etiler Alkent Site Stores	29.12.2023	352.800.000	29.12.2022 275.953.445
İstanbul Büyükçekmece Land	29.12.2023	6.760.000	05.01.2023 5.165.631
Sanayi Mah. Store	29.12.2023	18.500.000	05.01.2023 14.928.426
Adana Office Building	29.12.2023	6.480.000	05.01.2023 6.409.667
Mosalarko Office Building	22.12.2023	478.404.562	27.12.2022 603.951.372
Tuzla Land	29.12.2023	61.500.000	05.01.2023 46.927.327
<b>Total</b>		<b>2.898.139.562</b>	<b>2.587.246.164</b>



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

#### 16. INVESTMENT PROPERTIES (CONTINUED)

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

<b>Name of Property</b>	<b>Valuation Methods Applied</b>	<b>Basis of Valuation Method</b>
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
Büyüçekmece 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 Büyüçekmece 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

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

<b>Name of Property</b>	<b>Valuation Methods Applied</b>	<b>Basis of Valuation Method</b>
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
Büyüçekmece 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 Büyüçekmece 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 2023 and 2022 Mosalarko Office Building that is an investment property has been valued by Nexia Pacioli Consulting LLC. In years 2023 other investment properties have been valued by Reel Gayrimenkul Değerleme A.Ş. (31 December 2022 TSKB Gayrimenkul Değerleme A.Ş.)

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 16. INVESTMENT PROPERTIES (CONTINUED)

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	561.080.000	-	561.080.000	-
Eyüp Topçular – Factory	416.000.000	-	416.000.000	-
Ankara Çankaya Business Center	44.200.000	-	44.200.000	-
İstanbul Karaköy Business Center	108.800.000	-	108.800.000	-
Büyükçekmece Alkent 2000-Stores	68.040.000	-	-	68.040.000
Antalya Land	225.765.000	-	225.765.000	-
İstanbul Sarıyer Land	549.810.000	-	549.810.000	-
Etiler Alkent Site Stores	352.800.000	-	-	352.800.000
İstanbul Büyükçekmece Land	6.760.000	-	6.760.000	-
Sanayi Mah. Store	18.500.000	-	18.500.000	-
Adana Office Building	6.480.000	-	6.480.000	-
Mosalarko Office Building	478.404.562	-	-	478.404.562
Tuzla Land	61.500.000	-	61.500.000	-
<b>Total</b>	<b>2.898.139.562</b>	<b>-</b>	<b>1.998.895.000</b>	<b>899.244.562</b>

As of 31 December 2022, 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	453.043.140	-	453.043.140	-
Eyüp Topçular – Factory	338.303.518	-	338.303.518	-
Ankara Çankaya Business Center	35.945.212	-	35.945.212	-
İstanbul Karaköy Business Center	82.122.823	-	-	82.122.823
Büyükçekmece Alkent 2000-Stores	53.888.983	-	-	53.888.983
Antalya Land	194.000.953	-	194.000.953	-
İstanbul Sarıyer Land	476.605.667	-	476.605.667	-
Etiler Alkent Site Stores	275.953.445	-	-	275.953.445
İstanbul Büyükçekmece Land	5.165.631	-	5.165.631	-
Sanayi Mah. Store	14.928.426	-	14.928.426	-
Adana Office Building	6.409.667	-	6.409.667	-
Mosalarko Office Building	603.951.372	-	-	603.951.372
Tuzla Land	46.927.327	-	46.927.327	-
<b>Total</b>	<b>2.587.246.164</b>	<b>-</b>	<b>1.571.329.541</b>	<b>1.015.916.623</b>

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

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

	31 December 2023	31 December 2022
Property, plant and equipment	15.606.381	31.510.649
<b>Total</b>	<b>15.606.381</b>	<b>31.510.649</b>

Property, plant and equipment with net carrying value of TL 15.606.381 is classified as non-current assets held for sale as of 31 December 2023 (31 December 2022- TL 31.510.649).

## ALARKO HOLDING A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 18. PROPERTY, PLANT AND EQUIPMENT

Movements of cost and accumulated depreciation of property, plant and equipment for the years ended 31 December 2023 and 2022 are as follows (TL):

As of 31 December 2023;

Cost	Opening 1 January 2023	Additions	Currency translation difference	Disposals and transfers	Business combinations effect	Total 31 December 2023
Land	47.046.063	530.894.796	(1.364.161)	(31.695.951)	19.635.765	564.516.512
Land improvements	47.481.621	1.697.421	-	(16.905.070)	29.886.472	62.160.444
Buildings	2.242.070.466	86.978.972	(2.521.580)	(16.207.643)	253.030.466	2.563.350.681
Plant, machinery and equipment	4.014.820.343	208.538.595	23.260.248	(77.110.115)	229.775.551	4.399.284.622
Motor vehicles	24.800.797	14.871.356	(557.450)	(9.859.400)	2.657.085	31.912.388
Furniture and fixtures	576.733.272	44.243.648	(4.709.324)	(17.920.627)	36.082.150	634.429.119
Leasehold improvements	320.057.458	17.960.337	-	-	-	338.017.795
Other tangible assets	49.550.073	26.309.499	-	(4.751.400)	-	71.108.172
Construction in progress	338.665.290	1.473.285.853	-	-	81.153.411	1.893.104.554
<b>Total</b>	<b>7.661.225.383</b>	<b>2.404.780.477</b>	<b>14.107.733</b>	<b>(174.450.206)</b>	<b>652.220.900</b>	<b>10.557.884.287</b>

Accumulated Depreciation	Opening 1 January 2023	Depreciation expense for the period	Currency translation difference	Depreciation of sales and transfers	Business combinations effect	Total 31 December 2023
Land improvements	40.985.415	3.176.582	-	-	156.881	44.318.878
Buildings	329.237.247	67.002.169	(4.559.672)	(171.465)	-	391.508.279
Plant, machinery, and equipment	2.419.355.006	221.992.494	(48.847.532)	(4.596.076)	91.547.782	2.679.451.674
Motor vehicles	23.662.018	2.698.420	(8.543.973)	(1.741.025)	97.182	16.172.622
Furniture and fixtures	469.056.628	44.737.529	(2.349.662)	(16.946.722)	3.755.553	498.253.326
Leasehold improvements	292.803.402	19.997.308	-	-	-	312.800.710
Other tangible assets	33.357.934	1.125.578	-	(369.651)	-	34.113.861
<b>Total accumulated depreciation (Note 29)</b>	<b>3.608.457.650</b>	<b>360.730.080</b>	<b>(64.300.839)</b>	<b>(23.824.939)</b>	<b>95.557.398</b>	<b>3.976.619.350</b>
<b>Property, plant, and equipment, (net)</b>	<b>4.052.767.733</b>					<b>6.581.264.937</b>

As of 31 December 2023, there is no capitalized borrowing costs.

As of 31 December 2023, total insurance amount of asset values is TL 15.665.398.820.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As of 31 December 2022;

Cost	Opening 1 January 2022	Additions	Currency translation difference	Disposals and transfers	Reversal of Impairment (*)	Total 31 December 2022
Land	11.922.851	32.744.529	2.378.683	-	-	47.046.063
Land improvements	47.481.621	-	-	-	-	47.481.621
Buildings	2.226.391.548	3.941.595	19.103.670	(7.366.347)	-	2.242.070.466
Plant, machinery and equipment	3.999.414.123	19.113.809	60.996.054	(200.497.425)	135.793.782	4.014.820.343
Motor vehicles	24.105.168	485.151	5.477.095	(5.266.617)	-	24.800.797
Furniture and fixtures	545.093.099	58.234.268	5.968.336	(32.562.431)	-	576.733.272
Leasehold improvements	349.085.182	13.071.902	-	(42.099.626)	-	320.057.458
Other tangible assets	49.547.178	2.895	-	-	-	49.550.073
Construction in progress	220.862.253	119.485.441	-	(1.682.404)	-	338.665.290
<b>Total</b>	<b>7.473.903.023</b>	<b>247.079.590</b>	<b>93.923.838</b>	<b>(289.474.850)</b>	<b>135.793.782</b>	<b>7.661.225.383</b>

  

Accumulated Depreciation	Opening 1 January 2022	Depreciation expense for the period	Currency translation difference	Depreciation of sales and transfers	Reversal of Impairment (*)	Total 31 December 2022
Land improvements	35.658.186	5.327.229	-	-	-	40.985.415
Buildings	272.437.623	53.574.337	5.045.035	(1.819.748)	-	329.237.247
Plant, machinery, and equipment	2.260.473.034	198.282.270	43.339.581	(82.739.879)	-	2.419.355.006
Motor vehicles	19.640.750	1.213.246	2.808.022	-	-	23.662.018
Furniture and fixtures	444.169.926	34.021.222	4.398.147	(13.532.667)	-	469.056.628
Leasehold improvements	325.134.174	9.574.264	-	(41.905.036)	-	292.803.402
Other tangible assets	30.340.443	3.017.491	-	-	-	33.357.934
<b>Total accumulated depreciation (Note 29)</b>	<b>3.387.854.136</b>	<b>305.010.059</b>	<b>55.590.785</b>	<b>(139.997.330)</b>	<b>-</b>	<b>3.608.457.650</b>
<b>Property, plant, and equipment, (net)</b>	<b>4.086.048.887</b>					<b>4.052.767.733</b>

As of 31 December 2021, there is no capitalized borrowing costs.

As of 31 December 2021, total insurance amount of asset values is TL 14.117.332.408.

(\*) As of 31 December 2022, the impairment loss of reserved for tangible fixed assets of Kırklareli natural gas combined cycle power plant has been canceled.

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

### 19. INTANGIBLE ASSETS

Movements of the cost and accumulated amortization of Group's intangible assets for the year ended 31 December 2023 (TL):

<b>Cost</b>	<b>Rights</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>As of 1 January 2023</b>	<b>559.251.801</b>	<b>2.613.837</b>	<b>561.865.638</b>
<b>Additions</b>	<b>108.393.597</b>	<b>5.247</b>	<b>108.398.844</b>
<b>Disposals</b>	<b>(38.482.672)</b>	<b>-</b>	<b>(38.482.672)</b>
<b>Currency translation difference</b>	<b>(811.709)</b>	<b>-</b>	<b>(811.709)</b>
<b>Business combinations effect</b>	<b>3.417.600</b>	<b>-</b>	<b>3.417.600</b>
<b>As of 31 December 2023</b>	<b>631.768.617</b>	<b>2.619.084</b>	<b>634.387.701</b>

<b>Accumulated amortization</b>	<b>Rights</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>As of 1 January 2023</b>	<b>119.578.502</b>	<b>2.285.959</b>	<b>121.864.461</b>
<b>Charge for the current period (Note 29)</b>	<b>15.914.364</b>	<b>91.502</b>	<b>16.005.866</b>
<b>Currency translation difference</b>	<b>(1.073.221)</b>	<b>-</b>	<b>(1.073.221)</b>
<b>Business combinations effect</b>	<b>1.727.950</b>	<b>-</b>	<b>1.727.950</b>
<b>As of 31 December 2023</b>	<b>136.147.595</b>	<b>2.377.461</b>	<b>138.525.056</b>
<b>Intangible assets (net)</b>			<b>495.862.645</b>

Movements of the cost and accumulated amortization of Group's intangible assets for the year ended 31 December 2022 (TL):

<b>Cost</b>	<b>Rights</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>As of 1 January 2022</b>	<b>527.637.674</b>	<b>2.613.837</b>	<b>530.251.511</b>
<b>Additions</b>	<b>25.393.517</b>	<b>-</b>	<b>25.393.517</b>
<b>Disposals</b>	<b>(5.850.227)</b>	<b>-</b>	<b>(5.850.227)</b>
<b>Currency translation difference</b>	<b>12.070.837</b>	<b>-</b>	<b>12.070.837</b>
<b>As of 31 December 2022</b>	<b>559.251.801</b>	<b>2.613.837</b>	<b>561.865.638</b>

<b>Accumulated amortization</b>	<b>Rights</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>As of 1 January 2022</b>	<b>104.322.659</b>	<b>2.194.459</b>	<b>106.517.118</b>
<b>Charge for the current period (Note 29)</b>	<b>14.762.002</b>	<b>91.500</b>	<b>14.853.502</b>
<b>Disposals</b>	<b>(379.335)</b>	<b>-</b>	<b>(379.335)</b>
<b>Currency translation difference</b>	<b>873.176</b>	<b>-</b>	<b>873.176</b>
<b>As of 31 December 2022</b>	<b>119.578.502</b>	<b>2.285.959</b>	<b>121.864.461</b>
<b>Intangible assets (net)</b>			<b>440.001.177</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 20. RIGHT OF USE ASSETS

As of 31 December 2023 and 2022, Right of use assets are as follows (TL) :

	1 January 2023			Currency	31 December 2023
Cost value	Opening balance	Additions	Disposals	translation	Closing
				difference	balance
Right of use assets	1.117.866.517	137.384.514	(17.281.014)	(463.720)	1.237.506.297
Accumulated depreciation (-)	(609.434.989)	(41.453.653)	3.191.640	(127.007)	(647.824.009)
<b>Net book value</b>	<b>508.431.528</b>	<b>95.930.861</b>	<b>(14.089.374)</b>	<b>(590.727)</b>	<b>589.682.288</b>

  

	1 January 2022			Currency	31 December
Cost value	Opening balance	Additions	Disposals	translation	2022
				difference	Closing
Right of use assets	1.083.115.141	77.636.182	(41.498.307)	(1.386.499)	1.117.866.517
Accumulated depreciation (-)	(585.681.798)	(34.425.070)	9.430.139	1.241.740	(609.434.989)
<b>Net book value</b>	<b>497.433.343</b>	<b>43.211.112</b>	<b>(32.068.168)</b>	<b>(144.759)</b>	<b>508.431.528</b>

#### 21. GOODWILL

As of 31 December 2023 and 2022, goodwill consists of the following (TL) :

	31 December 2023	31 December 2022
Opening Balance	28.536.270	28.536.270
Additions (*)	421.669.221	-
<b>Closing Balance</b>	<b>450.205.491</b>	<b>28.536.270</b>

(\*) TL 9.679.352 from the purchase of Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. shares (100%) on March 16, 2023, TL 13.455.409 from the purchase of Palmira Agro Gübre Sanayi ve Ticaret A.Ş. shares (80%) on May 8, 2023, TL 38.497.581 from the purchase of Antsan Tarım Sanayi ve Ticaret A.Ş. shares (100%) on May 16, 2023, TL 60.128.048 from the purchase of Gürlük Jeotermal Enerji Tarım Seracılık Gıda Sanayi ve Ticaret A.Ş. shares (100%) on July 10, 2023, TL 112.088.558 from the purchase of Alden Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. shares (100%) on August 4, 2023, which was established by the partial spin-off of Halil Pekdemir Çiftliği Gıda ve İhtiyaç Maddeleri Ticaret ve Sanayi Limited Şirketi A.Ş. (100%) TL 1.322.896 from the purchase of Ereğli Agrosan Doğal Ürünler ve Türevleri Tarım Üretim ve Ticaret A.Ş. shares (100%) on August 31, 2023, TL 66.531.787 from the purchase of Altes Seracılık Tarım Gıda Sanayi ve Ticaret A.Ş. shares (100%) on October 12, 2023. TL 43.623.895 from the purchase of Alziraaat Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. shares (100%) on October 13, 2023 and TL 76.341.695 from the purchase of Genseed Tohum Islah ve Üretim A.Ş. shares (80%) on October 27, 2023.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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

	31 December 2023	31 December 2022
Provisions for litigation	45.294.028	64.622.202
<b>Total</b>	<b>45.294.028</b>	<b>64.622.202</b>

Changes in provisions for litigation as of 31 December 2023 and 2022 are set out below (TL) :

	31 December 2023	31 December 2022
Opening balance	64.622.202	69.511.272
Charge for the current period (Note 28 )	5.888.172	45.923.449
Payments during the year	(1.014.528)	(23.510.130)
Provisions no longer required	(1.766.487)	(106.476)
Monetary gain/(loss)	(22.435.331)	(27.195.913)
<b>Provision for litigation at the end of the period</b>	<b>45.294.028</b>	<b>64.622.202</b>

Contingent assets and liabilities are as follows (TL) :

a) Mortgage on the assets:

As of 31 December 2023, there is a right of easement in relation to the stores in Etiler Alkent Sitesi in Beşiktaş District dated 14 October 1987 nr. 6430 to be utilized on behalf of the real estate of its subsidiary Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. (Alarko Gayrimenkul) on section 1411, parcel 1 and against that on section 1408, parcel 1 for benefiting from the central heating; and there is a right of easement for a period of 49 years at a fee of 7,72 TL to construct 1,5 m wide channels in some parts of the heating installations. Furthermore, there is a personal right of easement for the owners of the property on section 1410 parcel 1 to benefit from the unused parking lot as stated in the project against the same parcel by voucher dated 26 February 1992 nr 784.

b) As of 31 December 2023, guarantees received for short term trade receivables amount to TL 2.220 (31 December 2022 – TL 3.658). The guarantees received other than those received for short term trade receivables amount to TL 3.865.046.144 (31 December 2022 – TL 3.947.834.955).

c) As of 31 December 2023, the overdue receivables and the related provisions stated in the Group's accounting records amount to TL 18.976.288 (31 December 2022 – TL 7.120.535).

d) As of 31 December 2022, the mortgage on the group assets is TL 2.330.055.000. amount (31 December 2022 - 2.056.366.025).

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

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#### 23. COMMITMENTS

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

	31 December 2023		31 December 2022	
Guarantee letters given	7.559.143.905		7.204.950.162	
Mortgages given	2.330.055.000		2.056.366.025	
Sureties given	4.571.648.190		9.525.112.612	
Pledges given	1.659.650.450		473.035.451	
<b>Total</b>	<b>16.120.497.545</b>		<b>19.259.464.250</b>	
Sureties received	2.660.766.320		3.084.552.859	
Guarantee letters received	1.175.531.571		831.934.992	
Mortgages received	13.150		21.668	
Notes received	28.737.323		31.329.094	
<b>Total</b>	<b>3.865.048.364</b>		<b>3.947.838.613</b>	
	31 December 2023		31 December 2022	
Guarantees, sureties, mortgages given by the Company				
A. Total guarantees, sureties, mortgages given in the name of its own corporate body	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
	-	-	-	-
B. Total guarantees, sureties, mortgages given in the name of entities included in the consolidation by full consolidation method	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
TL	2.074.416.849	2.074.416.849	1.872.000.220	3.084.549.399
USD	20.000.000	588.764.000	-	-
EURO	1.958.077	63.782.209	-	-
	2.726.963.058		3.084.549.399	
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	3.979.034.823	3.979.034.823	1.599.510.397	2.635.559.964
USD	84.311.784	2.481.987.152	135.102.779	4.162.480.757
EURO	130.558.319	4.252.793.619	204.462.194	6.716.034.403
RON	411.548.983	2.679.718.893	403.088.358	2.660.839.727
	13.393.534.487		16.174.914.851	
D. Total other guarantees, sureties, mortgages given	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
i. in the name of the Parent Company	-	-	-	-
ii. in the name of other group companies that are not included in the scope of items B and C	-	-	-	-
iii. in the name of third parties that are not included in the scope of item C	-	-	-	-
<b>Grand Total</b>	<b>16.120.497.545</b>		<b>19.259.464.250</b>	

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



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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#### 24. EMPLOYEE BENEFITS

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

	<b>31 December 2023</b>	31 December 2022
Provision for unused vacation	<b>37.581.552</b>	30.191.772
Provision for termination indemnity	<b>80.594.061</b>	99.122.510
<b>Total</b>	<b>118.175.613</b>	129.314.282

i) Provision for termination indemnity

Movements of provision for termination indemnity during the year are as follows (TL) :

	<b>31 December 2023</b>	31 December 2022
Opening balance	<b>99.122.510</b>	72.308.938
Interest cost	<b>16.517.071</b>	4.106.258
Current service cost	<b>15.846.929</b>	16.158.638
Payments during the year	<b>(36.593.833)</b>	(13.888.583)
Gain / (loss) on remeasurement of defined benefit plans	<b>5.539.774</b>	48.708.081
Monetary gain/(loss)	<b>(19.838.390)</b>	(28.270.822)
<b>Provision for termination indemnity at the end of the period</b>	<b>80.594.061</b>	99.122.510

ii) Provision for unused vacation

Movements of provision for unused vacation during the year are as follows (TL) :

	<b>31 December 2023</b>	31 December 2022
Unused vacation allowance at the beginning of the period	<b>30.191.772</b>	17.664.349
Increase / (decrease) during the period	<b>19.172.693</b>	19.091.789
Monetary gain/(loss)	<b>(11.782.913)</b>	(6.564.366)
<b>Provision for unused vacation at the end of the period</b>	<b>37.581.552</b>	30.191.772

Payables related to employee benefits are as follows (TL):

	<b>31 December 2023</b>	31 December 2022
Social security withholding payable	<b>18.581.241</b>	11.404.955
Reverse charge taxes and funds withheld	<b>44.522.575</b>	40.275.821
Payables related to other employee benefits	<b>21.254.129</b>	7.771.545
<b>Total</b>	<b>84.357.945</b>	59.452.321

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

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#### 25. OTHER ASSETS AND LIABILITIES

Other current assets consist of the following (TL) :

	31 December 2023	31 December 2022
Deferred VAT	635.523.694	154.873.818
Other current assets	6.241.978	1.159.674
<b>Total</b>	<b>641.765.672</b>	<b>156.033.492</b>

Other non-current assets consist of the following (TL)

	31 December 2023	31 December 2022
Prepaid taxes and funds	128.028.175	205.251.515
<b>Total</b>	<b>128.028.175</b>	<b>205.251.515</b>

Other short term liabilities consist of the following (TL):

	31 December 2023	31 December 2022
Provisions for other liabilities and expenses	5.633	6.390
<b>Total</b>	<b>5.633</b>	<b>6.390</b>

#### 26. EQUITY

(a) Share capital :

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

Name	31 December 2023		31 December 2022	
	Shareholding	Nominal value	Shareholding	Nominal value
Alaton Family	%31,54	137.203.121	%34,36	149.492.491
Garıh Family	%31,72	137.999.254	%32,92	143.219.254
Other	%36,74	159.797.625	%32,72	142.288.255
<b>Total</b>	<b>%100,00</b>	<b>435.000.000</b>	<b>%100,00</b>	<b>435.000.000</b>

As of December 31, 2023 and 2022, the difference arising from the inflation adjustment of nominal capital amounts to TL 3.839.581.834.

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

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 26. EQUITY (CONTINUED)

(b) Cross shareholding adjustment (-) :

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

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

As of December 31, 2023, Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. has acquired the investment amounting to TL 1.183.962, which belongs to the Parent Company, from Alsim Alarko San. Tes. ve Tic. A.Ş. amounting to TL 348.778 as of December 31, 2023 and Tüm Tesisat ve İnşaat A.Ş. amounting to TL 3.143 as of December 31, 2023.

(c) Restricted reserves:

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

Restricted reserves are as follows (TL) :

	31 December 2023	31 December 2022
Legal reserves	384.698.172	165.282.802
Legal reserves inflation difference	407.284.260	305.360.150
<b>Total</b>	<b>791.982.432</b>	<b>470.642.952</b>

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.

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#### 26. EQUITY (CONTINUED)

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

On 18 March 2022, Alarko Holding A.Ş. Board of Directors resolved that, taking into account the economic developments worldwide, in order to protect the interests of all stakeholders, especially small stakeholders, and to contribute to healthy price formation; within the framework of the Capital Markets Board's II-22. 1 numbered Buy-Back Shares Communiqué of the Capital Markets Board and the announcements dated 21 July 2016 and 25 July 2016 on the subject, to determine the maximum amount of funds that can be allocated for share buy-back as TL 180,000,000 to be covered from internal resources, to determine the maximum amount of shares that can be subject to share buy-back as 8,700,000 nominal value, to submit the share buy-back programme and the purchases to be made within the scope of the programme to the information of the shareholders at the first General Assembly Meeting.

Within the scope of the aforementioned share buy-back programme, TL 131,780,306 corresponding to 2,601,787 shares were purchased in 2022. Between 3 January 2023 and 2 February 2023, TL 46,965,318 corresponding to 629,586 shares were purchased.

On 16 February 2023, Alarko Holding A.Ş. Board of Directors decided to make share repurchase in addition to the existing share repurchase programme in order to protect the interests of all our stakeholders and to contribute to the healthy price formation in the share value of our Company within the framework of the announcement made by the Capital Markets Board with the Communiqué on II-22.1 Repurchased Shares and the principle decision numbered 9/177 dated 14 February 2023, and to make a share repurchase of TL 180.000,000 TL to be revised as TL 380,000,000 to be covered from internal resources, the maximum amount of shares that can be subject to share repurchase to be revised as TL 5,600,000 nominal value, the share repurchase programme and the purchases to be made within the scope of the programme to be submitted for the information of the shareholders at the first General Assembly Meeting. Within the scope of the share buy-back programme, TL 165,725,602 corresponding to 2,368,627 shares were purchased between 15 March 2023 and 17 April 2023 and the ratio of the repurchased shares in the Company's capital reached 1.287%. As of 17 April 2023, the share purchase transaction has been completed.

The total amount of the purchases of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries, from internal resources is TL 152.300.345 corresponding to 7.269.840 shares and is shown in the 'Repurchased Shares (-)' account.

As of 31 December 2023, there are TL 601.896.460 of treasury shares (31 December 2022- TL 289.076.499). The Company has set aside a reserve fund equal to the repurchase price of the repurchased shares and classified it as restricted reserves allocated from profit under equity.

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

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

	31 December 2023	31 December 2022
Retained earnings or accumulated losses	22.291.511.026	6.115.006.936
Extraordinary reserves inflation differences	5.398.383.155	5.476.828.950
Extraordinary reserves	993.265.201	930.361.410
<b>Total</b>	<b>28.683.159.382</b>	<b>12.522.197.296</b>

In accordance with the Tax Procedure Law and the related Communiqué published in the Official Gazette dated 30 December 2023 and numbered 32415 (2nd Repeated), the balance sheet as of 31 December 2023 prepared in accordance with the Tax Procedure Law has been adjusted by using the Producer Price Index (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting. The accompanying consolidated financial statements are restated for the effects of inflation in accordance with TAS 29 by using the Consumer Price Index (CPI) published by the Turkish Statistical Institute and consequently the amounts for the current and prior reporting period are expressed in terms of the purchasing power at 31 December 2023.

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#### 26. EQUITY (CONTINUED)

(e) Retained earnings or accumulated losses :

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

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

	31 December 2023			
	Capital adjustment differences	Legal reserves	Reserves for repurchased shares	Extraordinary reserves
According to TAS/IFRS Financial Statements	3.839.581.834	407.284.260	241.212.812	5.398.383.155
According to Tax Procedural Law	6.504.189.660	302.961.548	298.765.977	8.612.799.960

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 2023 is TL 12.997.695.916.

(f) Non-controlling interest :

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

	31 December 2023	31 December 2022
Share capital	<b>73.682.414</b>	32.902.194
Adjustment to share capital	<b>504.996.250</b>	486.593.371
Repurchased shares(-)	<b>(55.746.094)</b>	(54.703.311)
Premiums/discounts for shares	<b>10.800.000</b>	-
Legal reserves	<b>149.279.811</b>	134.528.827
Other comprehensive income	<b>133.330.500</b>	155.444.680
Retained earnings or (accumulated losses)	<b>1.850.252.046</b>	1.738.803.721
Profit / (loss) for the period	<b>281.745.307</b>	190.145.037
Total	<b>2.948.340.234</b>	2.683.714.519

As of 31 December 2023 a portion of TL 281.745.307 (31 December 2022 – 190.145.037 TL ) of non-controlling share that is related to the profit for the period amounting to TL 281.745.307 (31 December 2022 – TL 190.145.037) represents 48,80% rate of share of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., (a subsidiary) that the Group has no control.

As of 31 December 2023, TL 2.326.695.703 (31 December 2022 – TL 2.134.936.327) portion of the non-controlling interests amounting to TL 2.948.340.234 (31 December 2022 – TL 2.683.714.519) in the consolidated statement of financial position represents 48,80% rate of share of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. (a subsidiary) that the Group has no control.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

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#### 26. EQUITY (CONTINUED)

(f) Non-controlling interest (continued):

The total assets, liabilities and equity of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. as of 31 December 2023 and 2022 and summary statement of profit and loss for the years ended is as follows :

	31 December 2023	31 December 2022
Current assets	1.791.600.146	821.034.125
Non-current assets	3.707.216.215	3.831.271.131
<b>Total assets</b>	<b>5.498.816.361</b>	<b>4.652.305.256</b>
Current liabilities	240.253.959	83.099.106
Non-current liabilities	490.952.410	194.528.468
Equity	4.767.609.992	4.374.677.682
<b>Total liabilities</b>	<b>5.498.816.361</b>	<b>4.652.305.256</b>

  

	31 December 2023	31 December 2022
Gross profit / (loss)	223.943.025	186.197.864
Operating income / (expenses)	332.023.276	129.633.745
<b>Net income / (loss)</b>	<b>555.966.301</b>	<b>315.831.609</b>

#### 27. REVENUE AND COST OF SALES

Revenues consist of the following (TL) :

	31 December 2023	31 December 2022
Domestic sales	2.532.852.214	4.568.643.438
Exports sales	5.930.372.475	7.851.819.288
Other sales	42.288.172	26.858.531
Sales returns (-)	(4.261.299)	(3.857.990)
Sales discounts (-)	(205.012.105)	(171.586.490)
Other Discounts (-)	(11.360)	-
<b>Total</b>	<b>8.296.228.097</b>	<b>12.271.876.777</b>

Cost of sales consists of the following (TL) :

	31 December 2023	31 December 2022
Cost of Goods Sold	172.381.135	-
Cost of trade goods sold	219.982.968	46.032.823
Cost of services sold	7.215.720.767	10.565.896.375
<b>Total</b>	<b>7.608.084.870</b>	<b>10.611.929.198</b>

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### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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#### 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 2023	31 December 2022
Personnel expenses (Note 29)	24.387.591	15.555.849
Outsourced benefits and services	20.698.194	13.994.596
Exhibition, advertisement, presentation expenses	3.480.644	1.651.796
Transportation and travelling expenses	2.395.937	2.154.389
Material expenses	4.258.251	3.903.548
Miscellaneous expenses	29.127.548	20.683.778
<b>Total</b>	<b>84.348.165</b>	<b>57.943.956</b>

General administration expenses consist of the following (TL):

	31 December 2023	31 December 2022
Personnel expenses (Note 29)	491.077.715	331.766.865
Outsourced benefits and services	208.322.086	174.717.955
Depreciation and amortisation (Note 29)	72.200.352	39.976.136
Rental expenses	21.722.980	11.269.688
Provision for termination indemnity (Note 29)	21.708.626	15.464.978
Taxes, duties, and fees	37.724.307	29.436.356
Provision for litigation (Note 22)	5.888.172	45.923.449
Doubtful receivables expense (Note 8)	13.371.641	94.189
Communication expenses	1.182.957	904.215
Bank expenses	12.685.116	11.411.322
Provision for unused vacation (Note 29)	19.172.693	19.061.789
Miscellaneous expenses	63.377.198	92.977.128
<b>Total</b>	<b>968.433.843</b>	<b>773.004.070</b>

#### 29. EXPENSES BY NATURE

Depreciation and amortisation expenses consist of the following (TL) :

	31 December 2023	31 December 2022
General production expenses	46.093.391	-
Cost expenses	299.169.946	313.700.589
General administrative expenses (Note 28)	72.200.352	39.976.136
<b>Total</b>	<b>417.463.689</b>	<b>353.676.725</b>

	31 December 2023	31 December 2022
Right of use assets (Note 20)	40.727.743	33.813.164
Depreciation of plant, property and equipment (Note 18)	360.730.080	305.010.059
Amortisation of intangible assets (Note 19)	16.005.866	14.853.502
<b>Total</b>	<b>417.463.689</b>	<b>353.676.725</b>

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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#### 29. EXPENSES BY NATURE (CONTINUED)

Employee benefits consist of the following (TL) :

	31 December 2023	31 December 2022
General production expenses	56.320.026	-
Cost of production of services	278.366.206	200.320.706
Research and Development Expenses (-)	237.289	-
General administration expenses (Note 28)	531.959.034	366.293.632
Marketing, sales, and distribution expenses (Note 28)	24.387.591	15.555.849
<b>Total</b>	<b>891.270.146</b>	<b>582.170.187</b>
Wages and salaries	652.819.749	441.264.946
Social security premiums	56.664.445	28.242.086
Other personnel expenses	160.077.326	97.198.177
Provision for termination indemnity (Note 28)	21.708.626	15.464.978
<b>Total</b>	<b>891.270.146</b>	<b>582.170.187</b>

#### 30. OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

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

	31 December 2023	31 December 2022
Foreign exchange income	3.527.906.927	1.651.883.421
Interest income	414.113.111	191.436.812
Rental income	18.861.567	17.119.087
Provisions for termination indemnity no longer required	41.481.752	11.287.850
Rediscounted interest income	7.539.432	2.327.869
Provisions for doubtful trade receivables no longer required (Note 8)	25.129	374
Maturity differences received	31.674.355	27.545.109
Compensation received	861.611	4.935.091
Other income and profit	211.308.799	382.128.442
<b>Total</b>	<b>4.253.772.683</b>	<b>2.288.664.055</b>

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

	31 December 2023	31 December 2022
Foreign exchange losses	482.108.149	645.480.020
Expenses before the commitment	5.491	61.367.096
Commercial cost	144.439.892	61.512.945
Rediscounted interest expense	4.456.182	3.860.578
Commitment costs for completed projects	40.638.379	27.699.952
Other expenses and losses	497.204.078	95.597.182
Interest rates given	63.674.303	229.272.326
<b>Total</b>	<b>1.232.526.474</b>	<b>1.124.790.099</b>



## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 31. INCOME / EXPENSE FROM INVESTING ACTIVITIES

Income from investing activities are as follows (TL) :

	31 December 2023	31 December 2022
Fair value increase (Note 16)		
Investment property sales profit		
Value increase in marketable securities (Note 6)	451.301.401	722.817.018
Gain on sale of marketable securities	-	33.885.551
Gain on sale of fixed assets	291.873.638	69.631.265
Fair value increase (Note 16)		
Investment property sales profit		
Value increase in marketable securities (Note 6)	89.933.618	4.775.539
Gain on sale of marketable securities	75.638.027	171.812.136
Gain on sale of fixed assets	168.728.281	9.182.979
Exchange rate protected deposits fair value difference	604.195.251	83.539.157
Income from public sector bonds, notes and shares	131.925.045	-
Total	1.813.595.261	1.095.643.645

Expenses from investing activities are as follows (TL) :

	31 December 2023	31 December 2022
Loss on sale of fixed assets	59.900.650	40.741.231
Total	59.900.650	40.741.231

#### 32. FINANCIAL EXPENSES

Financial income is as follows (TL):

	31 December 2023	31 December 2022
Derivative instrument income	22.900.000	10.512.951
Total	22.900.000	10.512.951

Financial expenses consist of the following (TL) :

	31 December 2023	31 December 2022
Borrowing expenses	834.283.757	116.375.590
Interest expenses related to leases	12.706.665	9.714.649
Derivative instrument expenses	11.683.459	50.181.653
Total	858.673.881	176.271.892

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 33. TAX ASSETS AND LIABILITIES

- a) Corporation tax;

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

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

In Turkey, advance tax is calculated and accrued on a quarterly basis. On 15 July 2023, the corporate tax rate has been increased from 20% to 25% with the 'Law on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6 February 2023 and Amendments to Certain Laws and Decree Law No. 375' published in the Official Gazette dated 15 July 2023. Accordingly, the provision for corporate tax and deferred tax calculations have been made by taking into account the corporate tax rate applicable in the relevant year. Losses can be carried forward to offset against future taxable income for a maximum period of 5 years. However, losses incurred cannot be deducted retrospectively from the profits of previous years.

Law No. 7061 'Law Amending Certain Tax Laws and Certain Other Laws' was published in the Official Gazette dated 5 December 2017 and numbered 30261. Article 89 of this Law amends Article 5 titled 'Exemptions' of the Corporate Tax Law. With the subparagraph (a) of the first paragraph of the Article, the 75% exemption applied to the gains arising from the sale of immovable properties in the assets of the corporations for two full years has been reduced to 50%. This regulation entered into force as of 5 December 2017.

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

#### Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 23 July 2006, this rate has been changed to 15% upon the Council of Minister's' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

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

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.

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

#### a) Corporation tax (continued)

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

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

Tax liability of the profit for the period is as follows (TL):

	31 December 2023	31 December 2022
Current period corporation tax (*)	507.349.902	192.329.433
Prepaid taxes and funds	(365.849.121)	(80.772.662)
<b>Total</b>	<b>141.500.781</b>	<b>111.556.771</b>

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 2023	31 December 2022
Current period corporation tax (*)	(499.035.313)	(180.630.984)
Deferred tax income / (expense) (Note 33(b))	587.007.695	643.301.046
<b>Total tax expense</b>	<b>87.972.382</b>	<b>462.670.062</b>

(\*) The difference between foreign subsidiaries' current tax provision and current period corporate tax is the effect of currency translation differences.

As of 31 December 2023 and 2022, 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 2023	31 December 2022
Profit/ (loss) before tax	6.819.094.085	16.433.699.676
Share of profits / (losses) of investments accounted by equity method	5.649.210.973	15.697.958.452
Profit /(loss) before tax (share of profits / (losses) of investments accounted by equity method excluded)	1.169.883.112	735.741.224
Local tax rate	%25	%23
Tax expense calculated by using the tax rate	292.470.778	169.220.482
Disallowable expenses and other additions	80.391.003	65.887.295
Tax-exempt earnings and other deductions	(564.800.383)	(847.439.535)
The effect of changes in tax rates	103.966.220	149.661.696
<b>Total tax expense</b>	<b>(87.972.382)</b>	<b>(462.670.062)</b>

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

b) Deferred tax assets and liabilities;

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

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

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 2023	31 December 2022	31 December 2023	31 December 2022
<b>Tax assets</b>				
Tax losses of carry forward (*)	293.990.174	82.032.215	70.683.000	16.406.443
Cost of long term construction contracts	18.973.413.470	6.856.410.401	4.743.353.368	1.371.282.080
Provision for litigation expenses	45.294.028	64.622.201	11.323.507	12.924.440
Derivative instruments	5.303.193	-	1.325.798	-
Unused vacation provision	36.823.069	29.711.698	9.205.767	5.942.340
Termination indemnity	38.086.008	40.327.551	9.521.502	8.065.510
Difference between carrying value and tax bases of property, plant and equipment and intangible assets	1.075.386.059	1.875.535.307	268.783.149	375.107.061
Leases	67.631.485	55.674.699	16.907.871	11.134.940
Other	289.149.195	-	72.287.299	-
<b>Total</b>			<b>5.203.391.261</b>	<b>1.800.862.814</b>

	Accumulated temporary differences		Deferred tax assets / liabilities	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
<b>Tax liabilities</b>				
Temporary differences on inventory	(131.138.293)	(646.244.978)	(32.925.049)	(129.248.996)
Right of use asset	(112.609.594)	(85.604.321)	(28.152.399)	(17.120.864)
Derivative instruments	-	(10.512.950)	-	(2.102.590)
Contract progress income	(15.162.941.179)	(4.170.752.752)	(3.806.486.279)	(844.054.173)
Investment properties	(1.347.219.562)	(1.347.989.053)	(312.884.662)	(269.597.811)
Other	-	(71.465.856)	-	(14.293.172)
<b>Total</b>			<b>(4.180.448.389)</b>	<b>(1.276.417.606)</b>

<b>Net deferred tax liability</b>			<b>1.022.942.872</b>	524.445.208
Deferred tax asset on financial position			1.480.568.172	923.772.981
Deferred tax liability on financial position			(457.625.300)	(399.327.773)
<b>Net effect of deferred tax</b>			<b>1.022.942.872</b>	524.445.208

(\*) As of 31 December 2023, of the prior years and current period losses subject to deferred tax calculation, TL 828.985 belongs to energy group companies, TL 56.388.121 belongs to contracting group companies, and TL 12.414.151 belongs to holding group companies (As of 31 December 2022, of the previous years and current period losses subject to deferred tax calculation, TL 5.936.855 belongs to energy group companies and TL 69.674.771 belongs to contracting group companies and 6.420.589 TL belongs to holding group companies.).

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

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

b) Deferred tax assets and liabilities (continued);

Deferred tax income / (expense) (TL) :

	31 December 2023	31 December 2022
Prior period deferred tax liability	524.445.208	(88.182.683)
Deferred tax (expense) / income (Note 33(a))	587.007.695	643.301.046
Business combinations effect	(116.649.805)	-
Foreign currency translation differences	25.716.581	(40.300.855)
Actuarial deferred tax income / (expense)	2.423.193	9.627.700
Current period deferred tax liability (-)	1.022.942.872	524.445.208

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

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

	31 December 2023	31 December 2022
Parent company profit / (loss) for the period (TL)	6.625.321.160	16.706.224.701
Weighted average number of ordinary shares at the beginning of the period *	430.003.387	434.168.375
<b>Earnings / (loss) per share</b>		
Earnings / (loss) per parent company share (TL)	15,408	38,479

(\*) Per share of TL 1 nominal.

According to the Ordinary General Assembly of Alarko Holding A.Ş. held on 29 May 2023, dividend paid per share from retained earnings is gross TL 0,33 and total dividend paid is gross TL 143.550.000. According to the Ordinary General Assembly of Alarko Holding A.Ş. held on 27 April 2022, dividend paid per share from retained earnings is gross TL 0,23 and total dividend paid is gross TL 100.050.000. (The value of dividend distribution amounting to TL 143.550.000 adjusted to 31 December 2023 purchasing power is TL 205.223.742).

From the net profit for the period 1 January 2023 - 31 March 2023 according to the interim financial statements dated 1 January 2023 - 31 March 2023, it has been decided to distribute TL 304.500.000 ('gross') of the amount remaining after deducting the reserves required to be set aside in accordance with the Turkish Commercial Code and the articles of association, to be distributed to the shareholders representing the capital of TL 435.000.000 at the rate of 70% gross and 63% net per share as of 1 June 2023 as 'Dividend Advance'. As of 25 August 2023, it has been decided to distribute TL 152.250.000 ('gross') of the amount remaining after deducting the reserves required to be set aside in accordance with the Turkish Commercial Code and the Articles of Association from the net profit for the period according to the interim financial statements dated 1 January 2023 - 30 June 2023, to be distributed to the shareholders representing the capital of TL 435.000.000 at the rate of 35% gross and 31,5% net per share as 'Advance Dividend'. TL 100.050.000 ('gross') of the amount remaining after deducting the reserves required to be set aside in accordance with the Turkish Commercial Code and the Articles of Association from the net profit for the period according to the interim consolidated financial statements dated 1 January 2023 - 30 September 2023 will be distributed to the shareholders representing TL 435.000.000. 000 of the amount remaining after deducting the reserves set aside in accordance with the Articles of Association and the Articles of Association, to be distributed to the shareholders representing the capital of TL 435.000.000, as of 15 November 2023 at the rate of 23% gross and 20,70% net per share. (The value of the dividend advance amounting to TL 556.800.000 brought to the purchasing power of 31 December 2023 is TL 697.242.012).

According to the accompanying consolidated financial statements of Alarko Group by 31 December 2023, the Parent Company's profit for the period is TL 6.625.321.160 and the total amount of other resources that may be subject to profit distribution is TL 29.090.443.642 (Note 26). According to the statutory records of the Parent Company as at 31 December 2023, net profit for the period is TL 1.025.518.936 and the total amount of other resources available for profit distribution in the statutory records is TL 61.008.348.

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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#### 35. RELATED PARTY DISCLOSURES

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

	31 December 2023	31 December 2022
Meram Elektrik Perakende Satış A.Ş.(1)	13.170.699	5.225.063
Alarko Carrier San. ve Tic. A.Ş.(1)	3.730.270	1.611.008
Cenal Elektrik Üretim A.Ş. (1)	2.564.702	1.074.431
Meram Elektrik Enerjisi Toptan Satış A.Ş.(1)	2.136.588	938.235
Alarko Cengiz Metro Ortak Girişimi (2)	3.654.571	11.028.461
Alarko-Makyol Adi Ortaklığı (1)	431	710
<b>Total (Note 8)</b>	<b>25.257.261</b>	<b>19.877.908</b>

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

	31 December 2023	31 December 2022
Alarko Carrier San. ve Tic. A.Ş. (1)	1.233.069	3.744.909
Meram Elektrik Dağıtım A.Ş.(1)	108.433	48.244
Meram Elektrik Enerjisi Toptan Satış A.Ş.(1)	1.694.267	1.176.145
Alarko Cengiz Metro Ortak Girişimi (2)	-	619.709
<b>Total (Note 8)</b>	<b>3.035.769</b>	<b>5.589.007</b>

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

	31 December 2023	31 December 2022
Alarko-Makyol Adi Ortaklığı (1)	845.298	1.315.809
Alarko Cengiz Metro Ortak Girişimi (2)	-	758.156
Al-Riva Projesi .Ar.Değ.Konut İnş. Tic. A.Ş. (3)	1.448	7.677
Al-Riva Arazi Değer.Konut İnş.ve Tic. A.Ş. (3)	679	3.743
Al-Riva Ar.Değ.Kon. İnş. Tur. Tes. Golf A.Ş. (3)	2.059	11.588
<b>Total (Note 9)</b>	<b>849.484</b>	<b>2.096.973</b>

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

	31 December 2023	31 December 2022
Al-Riva Projesi Ar.Değ.Konut İnş. Tic. A.Ş. (3)	78.785.745	91.875.866
Al-Riva Arazi Değer.Konut İnş.ve Tic. A.Ş. (3)	11.932.399	14.738.626
Al-Riva Ar.Değ.Kon. İnş. Tur. Tes. Golf A.Ş. (3)	2.822.540	3.449.323
<b>Total (Note 9)</b>	<b>93.540.684</b>	<b>110.063.815</b>

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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### 35. RELATED PARTY DISCLOSURES (CONTINUED)

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

	31 December 2023	31 December 2022
Alcen Enerji Dağ.ve Perak.Sat. Hizm.A.Ş. (1)	4.321.828.294	5.089.651.175
<b>Total (Note 9)</b>	<b>4.321.828.294</b>	<b>5.089.651.175</b>

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

As of 31 December 2023	Rent	Service	Trade good	Maturity difference	Other	Total
Al-Riva Projesi Ar.Değ. Konut Ins.Tic.A.Ş (3)	2.870	2.124	-	12.462.349	-	12.467.343
Al-Riva Arazi Değ. Konut Ins.ve Tic.A.Ş. (3)	2.870	895	-	1.738.860	-	1.742.625
Al-Riva Ar.Değ.Kon.Inş.Tur.Tes.Golf A.Ş. (3)	2.870	2.715	-	409.446	-	415.031
Alarko Carrier San. ve Tic. A.Ş. (1)	559.780	17.253.053	1.749	-	1.778.896	19.593.478
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. (1)	2.394	20.093	-	-	-	22.487
Meram Elektrik Enerjisi Toptan Satış A.Ş. (1)	2.394	11.019.461	6.638.251	-	-	17.660.106
Cenal Elektrik Üretim A.Ş. (1)	2.394	12.537.917	-	-	-	12.540.311
Meram Elektrik Perakende Satış A.Ş. (1)	-	60.157.993	-	-	-	60.157.993
Alarko Makyol Adi Ortaklığı (1)	-	7.446	-	-	-	7.446
Alhan Holding A.Ş. (4)	4.784	-	-	-	-	4.784
Bükrüş Uluslararası Havalimanı Demiryolu Bağlantısı 6. Metro Kesimi (2)	-	-	96.597.151	-	-	96.597.151
Alarko Cengiz Metro Ortak Girişimi (2)	-	211.055	-	-	-	211.055
<b>Total</b>	<b>580.356</b>	<b>101.212.752</b>	<b>103.237.151</b>	<b>14.610.655</b>	<b>1.778.896</b>	<b>221.419.810</b>

As of 31 December 2022	Rent	Service	Trade good	Maturity difference	Other	Total
Al-Riva Projesi Ar.Değ. Konut Ins.Tic.A.Ş (3)	2.574	3.903	-	12.077.054	-	12.083.531
Al-Riva Arazi Değ. Konut Ins.ve Tic.A.Ş. (3)	2.574	1.903	-	1.835.213	-	1.839.690
Al-Riva Ar.Değ.Kon.Inş.Tur.Tes.Golf A.Ş. (3)	2.574	5.892	-	428.515	-	436.981
Alarko Carrier San. ve Tic. A.Ş. (1)	1.782.159	7.577.211	4.821	-	-	9.364.191
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. (1)	2.145	3.585	-	-	-	5.730
Meram Elektrik Enerjisi Toptan Satış A.Ş. (1)	2.145	4.345.373	13.680.941	-	-	18.028.459
Cenal Elektrik Üretim A.Ş. (1)	2.145	4.798.118	124.657	-	-	4.924.920
Meram Elektrik Perakende Satış A.Ş. (1)	-	23.012.993	545.016.845	13.131.573	-	581.161.411
Alhan Holding A.Ş. (4)	4.289	-	-	-	-	4.289
Algiz Enerji A.Ş. (1)	2.145	-	-	-	-	2.145
Alarko Cengiz Metro Ortak Girişimi (2)	4.185.464	-	33.732	-	3.600.315	7.819.511
<b>Total</b>	<b>5.988.214</b>	<b>39.748.978</b>	<b>558.860.996</b>	<b>27.472.355</b>	<b>3.600.315</b>	<b>635.670.858</b>

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

As of 31 December 2023	Rent	Service	Trade good	Maturity difference	Other	Total
Alarko Carrier San. ve Tic. A.Ş. (1)	232.477	803.692	29.832.900	-	76.832	30.945.901
Meram Elektrik Dağıtım A.Ş. (1)	-	-	-	-	95.460	95.460
Meram Elektrik Enerjisi Toptan Satış A.Ş. (1)	-	7.775.862	14.977.291	-	-	22.753.153
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. (1)	-	-	-	497.634.712	3.502	497.638.214
Alarko Makyol Adi Ortaklığı (1)	-	5.999	-	-	-	5.999
Alarko Cengiz Metro Ortak Girişimi (2)	-	-	-	-	45.925	45.925
<b>Total</b>	<b>232.477</b>	<b>8.585.553</b>	<b>44.810.191</b>	<b>497.634.712</b>	<b>221.719</b>	<b>551.484.652</b>

As of 31 December 2022	Rent	Service	Trade good	Maturity difference	Other	Total
Alarko Carrier San. ve Tic. A.Ş. (1)	211.949	1.105.659	3.930.381	-	444.546	5.692.535
Alcen Enerji Dağıtım ve Perakende Satış Hiz. A.Ş. (1)	-	-	-	76.634.013	-	76.634.013
Meram Elektrik Dağıtım A.Ş. (1)	-	-	-	-	152.656	152.656
Meram Elektrik Enerjisi Toptan Satış A.Ş. (1)	-	21.146.584	23.424.752	-	8.108	44.579.444
Cenal Elektrik Üretim A.Ş. (1)	-	-	541.126.497	13.306.562	-	554.433.059
Alarko Cengiz Metro Ortak Girişimi (2)	-	979.277	545.807	-	539.722	2.064.806
<b>Total</b>	<b>211.949</b>	<b>23.231.520</b>	<b>569.027.437</b>	<b>89.940.575</b>	<b>1.145.032</b>	<b>683.556.513</b>

- (1) Jointly controlled entity  
(2) Joint operation  
(3) Affiliate  
(4) Parent company's shareholder

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

### **NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### **35. RELATED PARTY DISCLOSURES (CONTINUED)**

As of 31 December 2023, remuneration provided to top executives such as the General Manager, Assistant General Manager and members of the Board of Directors amount to TL 425.455.817 (31 December 2022 – TL 223.309.915). The entire amount consists of short term benefits.

As of 31 December 2023, the guarantees, mortgages, and sureties received from Group companies amount to TL 2.660.766.320 (31 December 2022 – TL 3.084.552.859). As of 31 December 2023 the guarantees, mortgages, and sureties given to Group companies amount to TL 6.896.753.808 (31 December 2022 – TL 11.359.626.854)



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### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated).

#### 36. 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 2023	Trade receivables		Other receivables		Banks	Other (*)
	Related party	Third party	Related party	Third party		
<b>Maximum credit risk incurred as of the reporting date (A+B+C+D+E)**) (Note 5, 8 and 9)</b>	<b>25.257.261</b>	<b>2.903.735.551</b>	<b>94.390.168</b>	<b>22.486.073</b>	<b>3.041.534.369</b>	<b>7.842.468.555</b>
- Part of the maximum risk covered by collaterals	-	-	-	-	-	-
<b>A. Net book value of financial assets that are neither overdue nor impaired (Note 5, 8 and 9)</b>	<b>25.257.261</b>	<b>2.893.372.132</b>	<b>849.484</b>	<b>22.486.073</b>	<b>3.041.534.369</b>	<b>7.842.468.555</b>
<b>B. Book value of financial assets with conditions revised which otherwise would be considered as overdue or impaired</b>	-	-	-	-	-	-
<b>C. Net book value of overdue assets that are not impaired (Note 8)</b>	-	<b>10.363.419</b>	<b>93.540.684</b>	-	-	-
- Portion covered by collaterals	-	-	-	-	-	-
<b>D. Net book value of impaired assets</b>	-	-	-	-	-	-
- Overdue (gross book value)	-	<b>18.976.288</b>	-	-	-	-
- Impairment (-) (Note 8)	-	<b>(18.976.288)</b>	-	-	-	-
- Part of net value covered by collaterals	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-) (Note 8)	-	-	-	-	-	-
- Part of net value covered by collaterals	-	-	-	-	-	-
<b>E. Derecognized elements involving credit risk (***)</b>	-	-	-	-	-	-

(\*) 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.

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#### 36. 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 2022	Trade receivables		Other receivables		Banks	Other (*)
	Related party	Third party	Related party	Third party		
<b>Maximum credit risk incurred as of the reporting date (A+B+C+D+E)(**)</b> (Note 5, 8 and 9)	19.877.908	2.659.416.043	112.160.788	18.291.368	8.237.821.176	2.318.221.147
- Part of the maximum risk covered by collaterals	-	-	-	-	-	-
<b>A. Net book value of financial assets that are neither overdue nor impaired</b> (Note 5, 8 and 9)	19.877.908	2.402.159.585	2.096.973	18.291.368	8.237.821.176	2.318.221.147
<b>B. Book value of financial assets with conditions revised which otherwise would be considered as overdue or impaired</b>	-	-	-	-	-	-
<b>C. Net book value of overdue assets that are not impaired</b> (Note 8)	-	257.256.458	110.063.815	-	-	-
- Portion covered by collaterals	-	137.692	-	-	-	-
<b>D. Net book value of impaired assets</b>	-	-	-	-	-	-
- Overdue (gross book value)	-	7.120.535	-	-	-	-
- Impairment (-) (Note 8)	-	(7.120.535)	-	-	-	-
- Part of net value covered by collaterals	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-) (Note 8)	-	-	-	-	-	-
- Part of net value covered by collaterals	-	-	-	-	-	-
<b>E. Derecognized elements involving credit risk (***)</b>	-	-	-	-	-	-

(\*) 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

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#### 36. 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 2023	Trade receivables		Other receivables	
	Related party	Third party	Related party	Third party
1-30 days past due (*)	-	9.321.807	-	-
1-3 months past due	-	284.708	-	-
3-12 months past due	-	756.904	-	-
1-5 years past due	-	-	-	-
More than 5 years past due (***)	-	-	93.540.684	-
Total	-	10.363.419	93.540.684	-
Portion covered by collaterals	-	-	-	-

  

31 December 2022	Trade receivables		Other receivables	
	Related party	Related party	Related party	Related party
1-30 days past due	-	39.054.187	-	-
1-3 months past due	-	11.821.610	-	-
3-12 months past due	-	103.326	-	-
1-5 years past due (**)	-	206.277.335	-	-
More than 5 years past due (***)	-	-	110.063.815	-
Total	-	257.256.458	110.063.815	-
Portion covered by collaterals	-	137.692	-	-

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.

(\*) Some of the receivables that are over due 1-30 days and 1-3 months consist of Teiaş receivables of Altek Alarko Elektrik Santralları Tesis İşletme ve Ticaret A.Ş.

(\*\*) Some of the trade receivables that are past due 1-30 days are receivables to Alsim Alarko San. Tes. ve Tic. A.Ş. It consists of the receivables of Kabataş Mahmutbey Metro Project related to the VAT amounts of the progress payments.

(\*\*\*) Other receivables that are more than 5 years past due Al-Riva Projesi, Arazi Değ. Konut İnş. ve Tic. A.Ş., Al-Riva Arazi Değ. Konut İnş. ve Tic. A.Ş., Al-Riva Arazi Değ. Konut İnş., Tur. Tes. Golf İşl. ve Tic. A.Ş., consists of 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 through converting short term financial instruments, i.e. trade receivables, into cash as of 31 December 2023 and 2022, the Group's liquid assets (current assets –inventories) exceed its short term liabilities by TL 1.435.628.250 and TL 890.532.792, respectively.

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### ii. Liquidity risk (continued)

##### 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)
<b>Non-derivative financial liabilities</b>							
Lease liabilities (Note 7)	75.415.955	175.977.952	7.256.434	15.429.694	52.727.540	100.564.284	-
Bank loans (Note 7)	5.612.368.140	6.566.276.960	383.000.463	4.840.269.834	836.746.017	506.260.646	-
Trade payables (Note 8)	938.042.811	941.107.206	1.980.529.520	530.320.951	1.417.124.108	-	(2.986.867.373)
Other payables (Note 9)	4.932.286.053	4.932.286.053	6.006.394.988	12.439.346	585.924.855	-	(1.672.473.136)

Expected maturities	Defter değeri	Expeced 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)
<b>Non-derivative financial liabilities</b>							
Trade payables (Note 8)	1.006.045.172	1.009.331.718	184.353.554	4.028.375.137	-	-	(3.203.396.973)
Other payables (Note 9)	107.768.972	107.768.972	75.059.900	32.709.072	-	-	-

##### 31 December 2022

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)
<b>Non-derivative financial liabilities</b>							
Lease liabilities (Note 7)	67.545.450	311.353.171	11.592.472	24.009.885	69.652.401	206.098.413	-
Bank loans (Note 7)	2.724.703.978	2.884.623.070	11.683.756	2.563.335.025	151.880.288	157.724.001	-
Other financial liabilities (Note 7)	-	-	-	-	-	-	-
Trade payables (Note 8)	1.010.945.404	1.012.303.561	1.555.797.486	2.139.053.214	-	-	(2.682.547.139)
Other payables (Note 9)	5.679.662.551	5.679.662.551	5.152.882.967	3.282.333.361	524.752.493	-	(3.280.306.270)

Expected maturities	Defter değeri	Expeced 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)
<b>Non-derivative financial liabilities</b>							
Trade payables (Note 8)	749.721.434	750.728.649	6.783.107	2.733.333.971	-	-	(1.989.388.429)
Other payables (Note 9)	112.564.315	112.564.315	96.221.888	16.342.427	-	-	-

## ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

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#### 36. 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 2023	31 December 2022
Financial instruments with fixed interest		
Financial assets		
Time deposits (Note 5)	2.965.184.401	7.724.196.551
Currency protected deposit account (Note 6)	1.856.266.929	745.413.717
Assets of which the fair value differences are reflected to profit/loss (Note 6)	4.136.025.235	534.634.050
Financial liabilities (Note 7) (*)	3.396.728.546	2.792.249.428
	31 December 2023	31 December 2022
Financial instruments with variable interest		
Financial liabilities (Note 7)	2.291.055.549	-
Investment funds (Note 5)	216.584.184	146.279.346

(\*) 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 2023, 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 1% with all other variables held constant, profit/(loss) before tax would have decreased/increased by TL 802.142 as a result of the change in interest expense (31 December 2022 is not available).

##### 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.

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### 36. 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	489.295.724	7.864.965	1.203.544	2.645	33.551.235
2a. Monetary financial assets (Incl. Cash and Banks)	5.092.440.015	158.203.299	11.766.236	1.384.195	18.560
2b. Non-monetary financial assets	32.937.195	1.118.859	-	-	-
3. Other	482.443	6.568	8.875	-	-
<b>4. Current assets (1+2+3)</b>	<b>5.615.155.377</b>	<b>167.193.691</b>	<b>12.978.655</b>	<b>1.386.840</b>	<b>33.569.795</b>
5. Trade receivables	146.583	-	4.500	-	-
6a. Monetary financial assets	1.157.463.955	39.318.435	-	-	-
6b. Non-monetary financial assets	1.472	50	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>1.157.612.010</b>	<b>39.318.485</b>	<b>4.500</b>	-	-
<b>9. Total assets (4+8)</b>	<b>6.772.767.387</b>	<b>206.512.176</b>	<b>12.983.155</b>	<b>1.386.840</b>	<b>33.569.795</b>
10. Trade payables	387.037.388	1.990.790	7.999.290	14.388	10.118.586
11. Financial liabilities	4.712.695.060	26.091.553	120.836.870	-	-
12.a Other monetary liabilities	90.826	2.750	298	-	-
12.b Other non-monetary liabilities	246.404.143	490.560	6.183.855	800.853	-
<b>13. Short term liabilities (10+11+12)</b>	<b>5.346.227.417</b>	<b>28.575.653</b>	<b>135.020.313</b>	<b>815.241</b>	<b>10.118.586</b>
14. Trade payables	-	-	-	-	-
15. Financial liabilities	5.185.332	-	158.900	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
<b>17. Long term liabilities (14+15+16)</b>	<b>5.185.332</b>	-	<b>158.900</b>	-	-
<b>18. Total liabilities (13+17)</b>	<b>5.351.412.749</b>	<b>28.575.653</b>	<b>135.179.213</b>	<b>815.241</b>	<b>10.118.586</b>
<b>19. Net foreign currency asset / (liability) position (9-18)</b>	<b>1.421.354.638</b>	<b>177.936.523</b>	<b>(122.196.058)</b>	<b>571.599</b>	<b>23.451.209</b>
<b>20. Monetary items net foreign currency asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>1.634.337.671</b>	<b>177.301.606</b>	<b>(116.021.078)</b>	<b>1.372.452</b>	<b>23.451.209</b>
<b>21. Exports (*)</b>	<b>293.592.145</b>	<b>5.750</b>	<b>9.063.873</b>	-	-
<b>22. Imports (*)</b>	<b>32.831.296</b>	<b>598.604</b>	<b>449.660</b>	<b>166.827</b>	-

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

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

Foreign currency position table					
31 December 2022					
	TL Equivalent (Functional currency)	USD	EURO	GBP	Other
1. Trade receivables	755.028.683	147.607	22.806.173	36.684	-
2a. Monetary financial assets (Incl. Cash and Banks)	6.783.291.676	206.835.313	12.446.629	51.246	2.004
2b. Non-monetary financial assets	101.048.073	3.279.745	-	-	-
3. Other	552.831	59	16.775	-	-
<b>4. Current assets (1+2+3)</b>	<b>7.639.921.263</b>	<b>210.262.724</b>	<b>35.269.577</b>	<b>87.930</b>	<b>2.004</b>
5. Trade receivables	147.813	-	4.500	-	-
6a. Monetary financial assets	982.706.016	31.895.958	-	-	-
6b. Non-monetary financial assets	1.541	50	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>982.855.370</b>	<b>31.896.008</b>	<b>4.500</b>	-	-
<b>9. Total assets (4+8)</b>	<b>8.622.776.633</b>	<b>242.158.732</b>	<b>35.274.077</b>	<b>87.930</b>	<b>2.004</b>
10. Trade payables	290.498.022	1.195.761	7.684.217	19.600	-
11. Financial liabilities	2.470.413.478	15.187.227	60.828.637	-	-
12.a Other monetary liabilities	3.291	-	100	-	-
12.b Other non-monetary liabilities	259.498.123	945.027	6.316.545	603.350	-
<b>13. Short term liabilities (10+11+12)</b>	<b>3.020.412.914</b>	<b>17.328.015</b>	<b>74.829.499</b>	<b>622.950</b>	-
14. Trade payables	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
<b>17. Long term liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>3.020.412.914</b>	<b>17.328.015</b>	<b>74.829.499</b>	<b>622.950</b>	-
<b>19. Net foreign currency asset / (liability) position (9-18)</b>	<b>5.602.363.719</b>	<b>224.830.717</b>	<b>(39.555.422)</b>	<b>(535.020)</b>	<b>2.004</b>
<b>20. Monetary items net foreign currency asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>5.760.259.397</b>	<b>222.495.890</b>	<b>(33.255.652)</b>	<b>68.330</b>	<b>2.004</b>
<b>21. Exports (*)</b>	<b>13.641.969</b>	-	<b>484.016</b>	-	-
<b>22. Imports (*)</b>	<b>533.483.365</b>	<b>13.620.055</b>	<b>3.414.061</b>	<b>169.016</b>	-

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

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### 36. 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 interially to key management personnal and represent management's assesment of the possible change in the foreign exchange rates.

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

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	523.661.357	(523.661.357)	-	-
2- Hedged from USD risk (-)	-	-	-	-
<b>3- USD Net Effect (1+2)</b>	<b>523.661.357</b>	<b>(523.661.357)</b>	-	-
When Euro changes by 10% against TL				
4- Net Assets/ Liabilities in Euro	(398.833.720)	398.833.720	-	-
5- Hedged from Euro risk(-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(398.833.720)</b>	<b>398.833.720</b>	-	-
When GBP changes by 10% against TL				
7- Net Assets/ Liabilities in GBP	2.124.251	(2.124.251)	-	-
8- Hedged from GBP risk (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>2.124.251</b>	<b>(2.124.251)</b>	-	-
When other foreign currencies changes by 10% against TL				
10- Net Assets/ Liabilities in other currencies	15.183.576	(15.183.576)	-	-
11- Hedged from other currency risks(-)	-	-	-	-
<b>12- Net Effect of Other Currencies (10+11)</b>	<b>15.183.576</b>	<b>(15.183.576)</b>	-	-
<b>Total (3+6+9+12)</b>	<b>142.135.464</b>	<b>(142.135.464)</b>		

Foreign currency sensitivity analysis chart				
31 December 2022				
	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	692.601.248	(692.601.248)	-	-
2- Hedged from USD risk (-)	-	-	-	-
<b>3- USD Net Effect (1+2)</b>	<b>692.601.248</b>	<b>(692.601.248)</b>	-	-
When Euro changes by 10% against TL				
4- Net Assets/ Liabilities in Euro	(130.371.587)	130.371.587	-	-
5- Hedged from Euro risk(-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(130.371.587)</b>	<b>130.371.587</b>	-	-
When GBP changes by 10% against TL				
7- Net Assets/ Liabilities in GBP	(1.994.616)	1.994.616	-	-
8- Hedged from GBP risk (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(1.994.616)</b>	<b>1.994.616</b>	-	-
When other foreign currencies changes by 10% against TL				
10- Net Assets/ Liabilities in other currencies	1.327	(1.327)	-	-
11- Hedged from other currency risks(-)	-	-	-	-
<b>12- Net Effect of Other Currencies (10+11)</b>	<b>1.327</b>	<b>(1.327)</b>	-	-
<b>Total (3+6+9+12)</b>	<b>560.236.372</b>	<b>(560.236.372)</b>		

# ALARKO HOLDİNG A.Ş. AND ITS SUBSIDIARIES

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### 36. 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 2023 and 2022, the ratios of the total share capital to total net liabilities are as follows (TL):

	31 December 2023	31 December 2022
Total debt	15.411.554.355	14.143.549.916
Less: cash and cash equivalents	(3.273.867.142)	(8.385.259.840)
Net debt	12.137.687.213	5.758.290.076
Total capital	43.947.343.787	37.688.374.059
Debt / equity ratio	28%	15%

### 37. AUDIT FEES

Fees for the services received from the independent auditor/independent audit firm The Group's statement regarding the fees for the services rendered by the independent audit firms, which is prepared by the POA pursuant to the Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles are based on the POA letter dated 19 August 2021 as follows:

	31 December 2023	31 December 2022
Independent audit fee for the reporting period (*)	10.490.549	5.530.974
Fee for other assurance services	53.621	49.321
Fee for tax consultancy services	-	-
Fees for other non-audit services	-	-
Total	10.544.170	5.580.295

(\*) Foreign currency fees of foreign subsidiaries have been converted into TL using the annual average rates of the relevant years.



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#### 38. SUBSEQUENT EVENTS

- a) Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the Subsidiaries, signed a share transfer agreement on 8 January 2024 for the purchase of 600 shares with a nominal value of TL 15.000, corresponding to 25% of the total capital of Sanrose Tarım Sanayi Ticaret Anonim Şirketi, whose main field of activity is agriculture and greenhouse cultivation, for USD 5.000.000 USD equivalent of Turkish Lira was signed on 8 January 2024, and it was previously announced to the public that the share transfer price would be subject to certain adjustments on the closing date in accordance with the share transfer agreement and that the final transfer price would be announced when it finalised. As a result of the adjustments made in accordance with the share transfer agreement, it has been decided that the final transfer price will be determined as TL equivalent of USD 4.645.180 and the TL equivalent of USD 1.500.000 paid in advance will be deducted from the final transfer price. Accordingly, 600 shares with a nominal value of TL 15.000, corresponding to 25% of the total capital of Sanrose Tarım Sanayi Ticaret Anonim Şirketi, were taken over by Alarko Tarım Sanayi ve Ticaret Anonim Şirketi, one of the Subsidiaries, as of 15 January 2024.
- b) It was announced to the public on 10 January 2024 that the Board of Directors of Alarko Holding A.Ş. decided to establish a joint stock company with a capital of TL 10.000.000 to operate in the information technologies sector and to participate in the company which said with TL 10.000.000. The said company was established with the title "Alarko Dijital Teknoloji Çözümleri Anonim Şirketi". This matter was registered by Istanbul Trade Registry Office and announced in the Turkish Trade Registry Gazette on 17 January 2024.
- c) On 10 January 2024, Alarko Havacılık Endüstri Yatırımları A.Ş., one of the Subsidiaries, decided to purchase 51 shares with a nominal value of GBP 51 representing 51% of the capital of Alfor Aviation and Technical Services Limited, which was registered with the England and Wales Company Registry, for a total consideration of GBP 102.
- d) Alarko Holding A.Ş. Board of Directors resolved on 14 March 2024 to obtain an extension permit for the registered capital ceiling permission granted by the Capital Markets Board due to the expiry of the 5-year period in 2024, to increase the registered capital ceiling of the company, which has a registered capital of TL 500.000.000.000, to TL 2.000.000.000 and therefore to increase the registered capital ceiling of the company, which has a registered capital of TL 500.000.000, to TL 2.000.000.000, in accordance with the Capital Markets Board's II-18. 1 numbered "Communiqué on Registered Capital System" of the Capital Markets Board, to amend Article 8 of the Company's Articles of Association as attached, submit the registered capital ceiling to the approval of the first General Assembly to be held after obtaining the necessary approvals regarding the amendment of the Articles of Association. The Company has applied to the Capital Markets Board on 15 March 2024 regarding the increase of the current registered capital ceiling and updating the validity date.
- e) A preliminary protocol was signed on 14 February 2024 between Alarko Gübre Fabrikaları Sanayi ve Ticaret A.Ş., one of the Subsidiaries, and Ahmet Koç, Sefa Koç and Gimak Denizcilik Limited Şirketi under the guarantee of Negmar Denizcilik Yatırım A.Ş. in order to take over all of the shares of Verim Gübre Anonim Şirketi ("Verim Gübre") in case the specified conditions are met. Pursuant to the preliminary protocol, it is envisaged that Verim Gübre will take over 100% of the shares of Sulfert Kimya Sanayi Ticaret Anonim Şirketi ("Sulfert Kimya") and Ege Antrepo Lojistik Limited Şirketi ("Ege Antrepo") and a share transfer agreement reflecting the basic conditions in the Preliminary Protocol will be signed between the parties, subject to the conditions of obtaining the necessary permissions from the Competition Authority and regulatory authorities regarding the transfer. In the preliminary protocol, it is envisaged that the share transfer price in the share transfer agreement will be determined as TL equivalent of USD 38.200.000 to be updated subject to certain adjustments.

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#### 38. SUBSEQUENT EVENTS (CONTINUED)

- f) On 14 March 2024, the Board of Directors of Alarko Holding A.Ş. decided to increase the share capital of Aldem Alarko Konut İnşaat ve Ticaret A.Ş. ("Aldem Alarko"), a wholly-owned subsidiary of the Company, from TL 50.000 to TL 4.950.000 by increasing (i) TL 3.500.000 from the cash capital advance allocated to Aldem Alarko and (ii) TL 1.450.000 from cash capital advance allocated by the Company to Aldem Alarko and (iii) TL 1.450.000 from the cash capital advance allocated by the Company to Aldem Alarko, and (iii) TL 4.950.000 to TL 5.000.000. 450.000; to participate in the capital increase of Alarko Havacılık Endüstri Yatırımları A.Ş., a wholly-owned subsidiary, by TL 320.000.000 due to the increase of its share capital from TL 30.000.000 to TL 350.000.000 by increasing its share capital by TL 320.000.000; to participate in the capital increase of Tüm Tesisat ve İnşaat Anonim Şirketi by TL 109.000 due to the increase of its share capital from TL 141.000 to TL 250.000.
- g) In accordance with the decision of the Board of Directors of Alarko Tarım Sanayi ve Ticaret A.Ş. ("Alarko Tarım"), a subsidiary dated 26 March 2024; Beybur Tarım ve Hayvancılık Anonim Şirketi ("Beybur Tarım"), which operates in the field of agriculture has decided to increase its capital from 50.000.000 TL to TL 300.000.000 and to participate in the capital increase in question, to cover the capital amount of TL 299.950.000 TL is covered by Alarko Tarım's cash receivables from Beybur Tarım and to acquire 299.950.000 shares with a nominal value of TL 299.950.000 to be issued with the capital increase and corresponding to 99,98% of the total capital of the company by Alarko Tarım. In accordance with the new decision of the Board of Directors of Alarko Tarım dated 8 April 2024 regarding the acquisition of the aforementioned financial fixed asset, before participating in the capital increase, 50.000 shares corresponding to 100% of the existing capital of Beybur Tarım amounting to TL 50.000 will be taken over at a price of TL 50.000 and after the share transfer, Beybur Tarım will increase its capital from TL 50.000 to TL 300.000.000. The capital increase planned by Beybur Tarım to its capital from TL 50.000.000 to TL 300.000.000, the capital amounting to TL 299.950.000 committed within this scope will be covered by Alarko Tarım's cash receivables from Beybur Tarım and 299.950.000 shares with a nominal value of TL 299.950.000 to be issued with the capital increase will be acquired by Alarko Tarım.
- h) It has been resolved by the Board of Directors of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries, to allocate 16.100.000 TL of first order general legal reserves from the period profit of 1.289.382.689 TL in the financial statements of the company for the year 2023, which will be submitted to the approval of the General Assembly. In accordance with the provisions of the Capital Markets Legislation, the Company's Articles of Association and other legislation, and to allocate 1.275.899.350 TL of the net distributable profit for the period, 152.145.000 TL to be distributed to shareholders as dividend, 7.245.000 TL to be distributed in cash and 144.900.000 TL to be distributed as bonus shares by adding to the capital, the remaining amount to be added to the extraordinary reserves, the cash dividend distribution to start on 3 June 2024, to be submitted to the approval of the General Assembly.
- i) At the Board of Directors meeting of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries which dated 20 December 2023, it was resolved to obtain an extension permission since the registered capital ceiling permission granted by the Capital Markets Board will expire in 2024 for a period of 5 years, and to increase the registered capital ceiling of the company, whose registered capital is 150.000.000 TL to 500.000.000 TL. On 27 December 2023, an application was made to the Capital Markets Board. The necessary permissions have been obtained with the Capital Markets Board's letter which is dated 19 January 2024 and numbered E-12233903-340.08-48339 regarding the amendment text of Article 6 of the Company's Articles of Association, the increase of the registered capital ceiling, and will be submitted to the approval of the shareholders at the Ordinary General Assembly meeting for 2023.

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#### 38. SUBSEQUENT EVENTS (CONTINUED)

- j) The Board of Directors of Alarko Carrier Sanayi ve Ticaret A.Ş., one of the joint ventures has decided since the net loss for the period in the financial statements of the Company for the year 2023 prepared in accordance with the Capital Markets Board's "Communiqué on Principles Regarding Financial Reporting in Capital Markets" numbered II-14.1, which will be submitted to the approval of the General Assembly, is TL 411.416.305 and the net loss for the period according to the legal records kept in accordance with the Tax Procedure Law is TL 70.377.105, there is no net distributable profit for the period in the said financial statements. 305 TL, and the net loss for the period according to the legal records kept in accordance with the Tax Procedure Law which is 70.377.105 TL, it has been unanimously resolved that there is no net distributable profit for the period in the aforementioned financial statements, therefore, no dividend distribution shall be made and the loss incurred shall be transferred to the accumulated losses account and submitted to the approval of the General Assembly.
- k) Considering the operational and legal convenience which will be provided by the companies operating in the greenhouse sector that operating as a single legal entity, Alarko Tarım Sanayi ve Ticaret A.Ş. in which Alarko Tarım Sanayi ve Ticaret A.Ş. is a 100% shareholder; 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, Alziraat Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi and Alden Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi have been transferred to Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, one of the other subsidiaries, as a whole with all its assets and liabilities through the facilitated merger of the capital companies, and merger transaction was announced which said, in the Turkish Trade Registry Gazette date