INTEGRATED ANNUAL REPORT

2023

ÇALIK HOLDiNG

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ABOUT THE REPORT

As Çalık Holding, we present the impacts of our activities and the outcomes of our economic, environmental and social performance to our esteemed stakeholders in the 2023 Integrated Annual Report.

2023 Integrated Annual Report addresses our financial and non-financial performance during the reporting period in compliance with the six different capital items in parallel with the classification of capital items proposed by the International Integrated Reporting Council (IIRC) and with an integrated approach. The report offers detailed information regarding our corporate governance understanding and journey towards creating integrated value to our stakeholders transparently, objectively and comparatively with the previous reporting period.

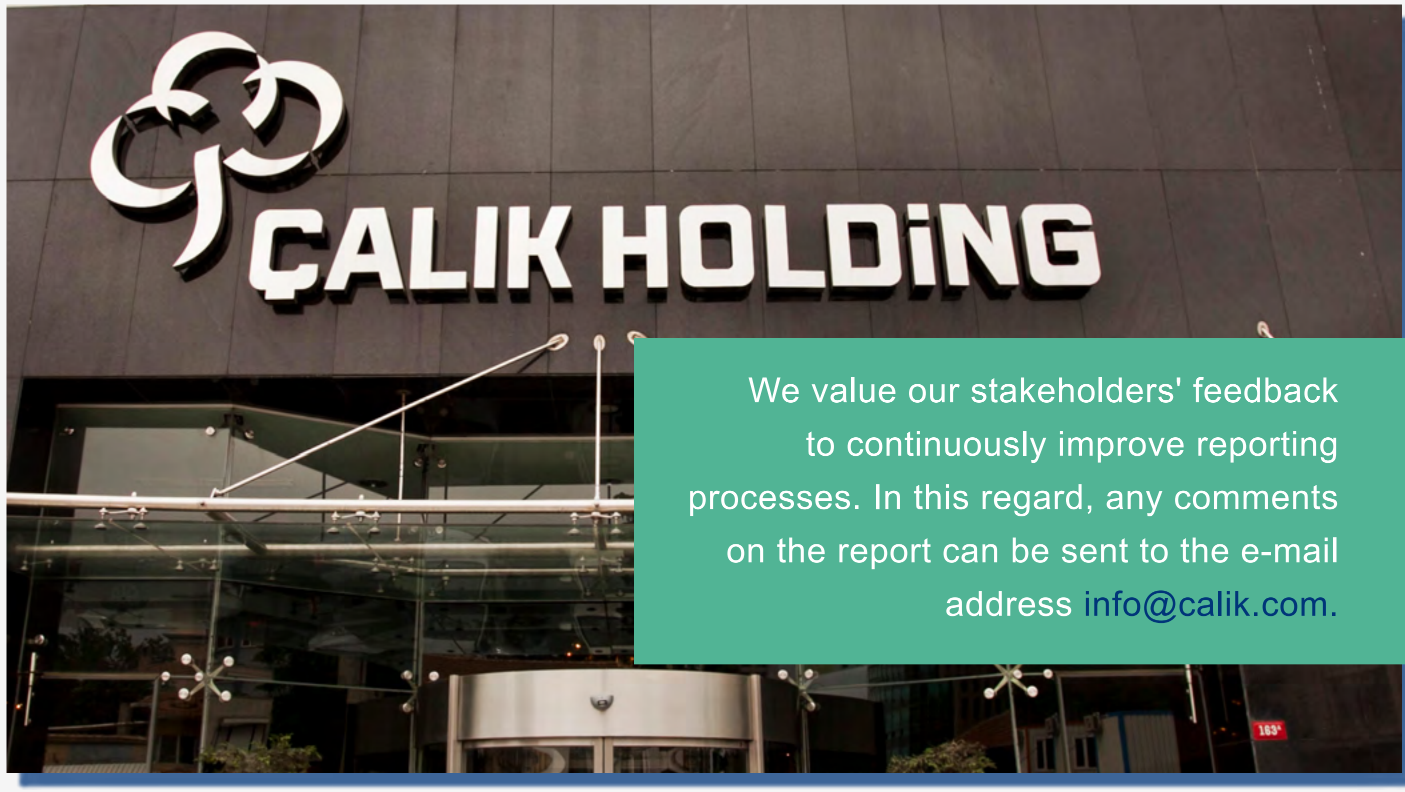
Unless otherwise stated, information in this report covers Çalık Holding and its Group companies for the period from 1 January to 31 December 2023. The obligations, undertakings and performances we disclose belong to the following Group companies: Çalık Holding A.Ş. ("Çalık Holding"), Çalık Enerji Sanayi ve Ticaret A.Ş. ("Çalık Enerji"), Yeşilırmak Elektrik Dağıtım A.Ş. ("YEDAŞ"), Yeşilırmak Elektrik Perakende Satış A.Ş. ("YEPAŞ"), Kosovo Electricity Distribution Company J.s.c. ("KEDS"), Kosovo Electricity Supply Company J.s.c. ("KESCO"), Aras Elektrik Dağıtım A.Ş. ("Aras EDAŞ"), Aras Elektrik Perakende Satış A.Ş ("Aras EPSAŞ"), Aktif Yatırım Bankası A.Ş. ("Aktif Bank"), Banka Kombetare Tregtare Sh.a ("BKT Arnavutluk"), Banka Kombëtare Tregtare Kosovë JSC ("BKT Kosova"), Gap İnşaat Yatırım ve Dış Ticaret A.Ş. ("Gap İnşaat"), Çalık Denim Tekstil Sanayi ve Ticaret A.Ş. ("Çalık Denim"), Gap Pazarlama A.Ş. ("Gap Pazarlama") and Lidya Madencilik A.Ş.("Lidya Madencilik"). Unless otherwise stated, abbreviations such as "Çalık Group" and "our Group companies" refer to Çalık Holding and affiliated Group companies covered in the report. Individual practices and projects of Group companies were indicated together with the relevant companies' names.

Our report was prepared under the guidance of the United Nations' Sustainable Development Goals (SDGs), and in compliance with the "GRI Standards" published by Global Reporting Initiative and International Integrated Reporting Framework recommended by International Integrated Reporting Council (IIRC).

The performance indicators in our report are presented mainly in the context of "GRI Standards" disclosures. The GRI Content Index can be found in the "**Annexes**" section of the report.

The audit report regarding 2023 Integrated Annual Report was prepared with the complete set of consolidated financial statements containing financial information in the annual report and with the information obtained during independent audits. The financial information related to the independent auditor's report included in the annual report was audited by Güney Bağımsız Denetim ve SMMM A.Ş. The Integrated Annual Report was prepared in consultancy with PwC Türkiye's Sustainability Team.

With our objective and transparent approach to our stakeholders, we have been publishing sustainability reports since 2020 and integrated activity reports since 2022 on an annual basis. We are planning to report our activities annually in the upcoming periods with the aim of sharing objective information on our progress.



We value our stakeholders' feedback to continuously improve reporting processes. In this regard, any comments on the report can be sent to the e-mail address info@calik.com.

MESSAGE FROM THE CHAIRMAN

ESTEEMED STAKEHOLDERS,

As Çalık Group, we have been tirelessly working for Türkiye's sustainable development. I am extending my thanks to all of our colleagues and stakeholders who contributed our strong performance, which we are presenting in this report based on the principles of transparency and accountability.

2023 was a difficult year, both for our country and on a global scale. The earthquake disasters we experienced in February deeply saddened us all. In the aftermath of this tragic event, as Çalık Group and the Ahmet Çalık Foundation we united as one with our country and mobilized all our resources to heal our wounds.

Türkiye continued its steady growth with a GDP of 1,119 billion USD in 2023 despite the natural disasters and global economic challenges. 2023 saw a modest global growth of 3.1% under the shadow of ongoing concerns of recession since the previous year, with Inflationist pressures continuing at the global level and central banks of countries insisting on tight monetary policies to fight against this situation. Geopolitical tensions, which have had a worldwide impact, continued to affect global trade and create disruptions in supply chains in 2023, leading to an ongoing environment of uncertainty. Nevertheless, businesses struggling due to inflation and high-interest rates discovered new ways to enhance their productivity, particularly through innovations based on artificial intelligence and machine learning. In 2023, issues such as climate change, environmental concerns, decarbonization, and sustainability were on the agenda more often.

As Çalık Holding we continue to create long-term added value in today's market environment with ever-changing dynamics and updated future projections. Despite all the challenges of 2023, we managed to continue healthy growth thanks to our projects, exemplary cooperations and talented workforce, powered by our rapid adaptation skills and enhanced reflexes against changing market conditions. Our total assets reached 12.6 billion USD in 2023, with an increase of 11% compared to the previous year. Our shareholders' equity amounted to 3.1 billion USD with an increase of 24%, and consolidated turnover (in USD) amounted to 2.9 billion USD with an increase of 12% compared to the previous year.

We were one step closer to achieve our long-term sustainable growth targets in 2023 thanks to our approach focused on diversifying our portfolio, strong balance sheet and cash management, trust- and value-driven relationships with our stakeholders, and efficient operations management. In addition, we also managed to minimize our short-term risks with the operational strength we took from our digitalization efforts, which made our operations more flexible and forecasts more accurate.

I would like to express that we, as Çalık Holding, put our signature under major projects again in 2023, and achieved significant successes in all sectors we operate. While our investments continued at full speed, we strengthened and expanded our cooperations with global companies that are leaders in their respective areas.

We continued to strengthen our sustainable growth and take beneficial steps for the environment and society by reflecting our innovative business models and value creation policy in all operations within the scope of our ongoing activities in various parts of the world. In line with our commitment to environmental protection targets, we accelerated our steps for emission and waste reduction.

In the upcoming periods, with our solid financial strength and commitment to our corporate values, we will continue to generate long-term value in our country and all geographies where we operate. We will maintain our investments in our human resources, next-generation digital solutions, and innovation as part of our forward-looking strategy. By focusing on our ethical and compliance principles and sustainability approach in all operations, we will carry our competitive position forward in local and global markets.

“One of the most valuable aspects of 2023, was that it was a milestone in which we celebrated the 100th anniversary of our Republic, the symbol of our independence and sovereignty. I emphasize that we will continue to work with determination and perseverance to create value in the second century of our Republic; I wish for many successful and peaceful centuries for our country.

On behalf of our Board of Directors, I would like to thank all stakeholders and employees who contributed to our financial and sustainability performance for 2023, as well as to the 2023 Integrated Annual Report, where we share our growth journey and impact.

Kind regards,

AHMET ÇALIK
CHAIRMAN

ABOUT ÇALIK GROUP

ÇALIK HOLDİNG

AREAS OF ACTIVITY

Energy

Çalık Group leads the sector with its profitable investments in national and international markets through its cooperations in the field of energy. The Group provides services with its subsidiaries in the fields of EPC Power Systems, Electricity Generation, Electricity and Natural Gas Distribution, Electricity Retail Sales, Oil and Gas Exploration and Production, Refinery and Pipelines.

Companies Operating in the Sector

- Çalık Enerji
- YEDAŞ
- YEPAŞ
- KEDS
- Aras EDAŞ
- Aras EPSAŞ

Energy at a Glance

- Total Assets: 59,640 million TL
- Shareholders' Equity: 34,003 million TL
- Net Sales: 37,198 million TL

Construction

Çalık Group focuses on contracting and real estate fields in Türkiye and abroad through its subsidiaries in the construction sector. The Group has gained a strong position in the sector with its deep-rooted experience, strength of its brand value and several mega projects.

Companies Operating in the Sector

- Gap İnşaat

Construction at a Glance

- Total Assets: 27,321 million TL
- Shareholders' Equity: 10,364 million TL
- Net Sales: 6,240 million TL

Mining

Çalık Group continues its existence in the sector with competitive and high-standard activities in the field of mining. The Group's priority objectives include the exploration of Türkiye's underground treasures in the quickest and most efficient manner and their reintegration into the national economy.

Companies Operating in the Sector

- Lidya Madencilik

Mining at a Glance

- Total Assets: 12,466 million TL
- Shareholders' Equity: 9,864 million TL
- Net Sales: 1,751 million TL

Textile

Çalık Group is active in the fields of manufacturing, international trade and supply in the textile sector. Their subsidiaries are among the leading brands in national and international markets.

Companies Operating in the Sector

- Çalık Denim
- Gap Pazarlama

Textile at a Glance

Çalık Denim

- Total Assets: 8,768 million TL
- Shareholders' Equity: 3,521 million TL
- Net Sales: 4,582 million TL

Gap Pazarlama

- Total Assets: 3,040 million TL
- Shareholders' Equity: 1,918 million TL
- Net Sales: 1,242 million TL

Finance

Çalık Group is active in the field of banking through strong subsidiaries in Turkish, Albanian and Kosovan finance sector.
The Group's subsidiaries earn significant achievements thanks to its deeply rooted experience in the banking sector, innovative vision, strong cooperations and high-quality service understanding.

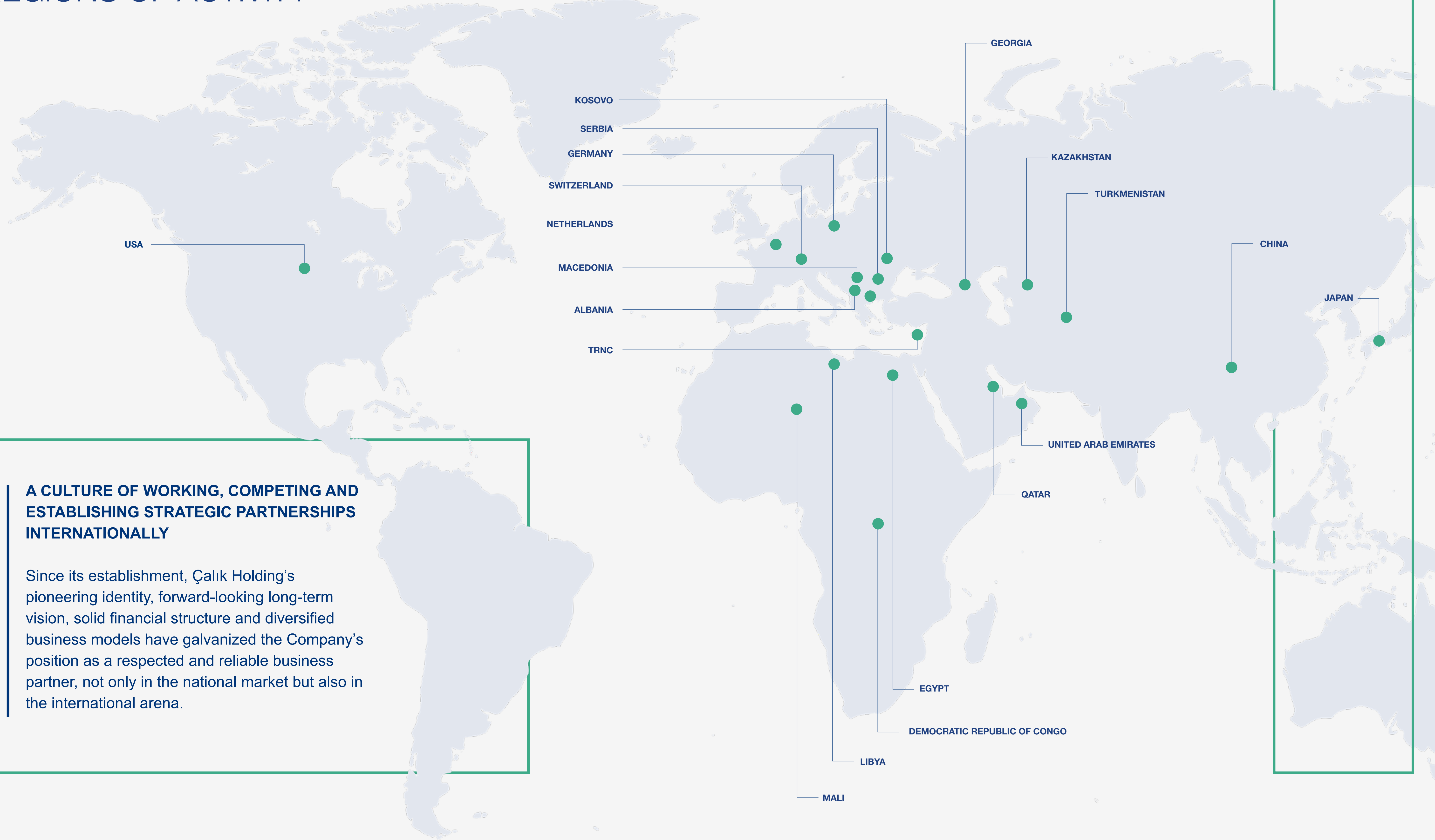
Companies Operating in the Sector

- Aktif Bank
- Banka Kombetare Tregtare (BKT Albania)
- Banka Kombetare Tregtare (BKT Kosovo)

Finance at a Glance

- Total Assets: 266,912 million TL
- Shareholders' Equity: 30,306 million TL

REGIONS OF ACTIVITY



A CULTURE OF WORKING, COMPETING AND ESTABLISHING STRATEGIC PARTNERSHIPS INTERNATIONALLY

Since its establishment, Çalık Holding's pioneering identity, forward-looking long-term vision, solid financial structure and diversified business models have galvanized the Company's position as a respected and reliable business partner, not only in the national market but also in the international arena.

ABOUT ÇALIK HOLDING

Çalık Holding which started its activities in 1981, was established with the gathering of companies within the Çalık Group under a single management roof in 1997. Maintaining its consistent growth performance since then, Çalık Holding now operates in 34 countries in five different sectors, including energy, construction, mining, finance and textiles, with a workforce of over 16,000 employees.

Çalık Holding's main purpose and obligation is to coordinate the financial and administrative functions of all companies operating under its wing, directing their investments, establishing standards in the fields of operation and cost, determining corporate strategies and policies, and spreading them and implementing them in Group companies. The components of Çalık Holding's corporate strategy include operational excellence, high customer satisfaction, globalization, contribution to society, and full compliance with ethical values.

Çalık Holding is focused on creating lasting value in the surrounding geography centred on Türkiye through investments that aim to stimulate and accelerate its growth while making its existing portfolio more effective, more efficient and more profitable.

With its reputation, well known reliability and long-term collaborations with international companies through its ongoing activities in various regions of the world, Çalık Holding develops innovative business models and moves forward by achieving sustainable growth in its business areas.

Acting with the principle of creating permanent value in every region it operates in, Çalık Holding implements pioneering projects for society and the business world with its business processes, services and products developed with its approach to sustainability.

With the value it attaches to human resource and its employee-oriented management approach, Çalık Holding reflects its economic, environmental and social sustainability targets into all its investments, projects and business methods.

Obtaining the majority of its income from international projects and investments, Çalık Holding has equity partnerships with large-scale and well-known public companies such as the Mitsubishi Corporation, SSR Mining, SandStorm Gold Royalties and SECOM, and has long-term business and solution partnerships with leading names such as General Electric, Honeywell, Siemens and Hitachi as part of its international operations. Çalık Holding also works in close cooperation with major global financial institutions and export credit institutions such as SERV, NEXI, Commerzbank and UBS. Çalık Holding was the first Turkish company to become a member of the Japanese Business Federation Keidanren.

Çalık Holding, which became a signatory to the United Nations (UN) Global Compact in 2022, prioritizes diversity, sustainability and durability in all of the sectors and regions in which it operates, and acts with the principle of equal treatment for all cultures, beliefs, ethnicities and genders and adopts a business approach that respects the environment.

VISION, MISSION AND VALUES

Our Vision: To grow four-fold on four continents by our 44th anniversary in 2025, adding value to every life we touch in each of our areas of operation with reliable teams empowered by our innovative, entrepreneurial spirit.

Our Mission: To contribute to rising standards of living by using our talents and energy to develop solutions that add value to people's lives in every region in which we operate.

Our Values

Fairness	At work and in our principles, we are a family that is motivated by what is right and fair.
People-Oriented	We devote all our energy to improving people's lives. Our priority is always the development and happiness not only of our employees and customers but of all the people touched by the value we generate.
Reputation	Our good reputation comes before everything else.
Work from the Heart	No matter what, we put our hearts into what we do for our company, to achieve our goals and to realize projects we firmly believe will add value to people's lives.
Innovation	We continuously develop and improve our solutions and business models, identifying those that will differentiate us.
Agility	We have the flexibility and speed to meet every challenge.
Sustainability	We value long-term, continuous success and respect the environment.

OUR GROUP COMPANIES

ENERGY

Çalık Enerji

Established in 1998, Çalık Enerji maintains its activities in a wide region covering the Middle East, Central Asia, Africa and the Balkans with a specialized workforce. Its lines of business consist of "EPC Contracting Operations", "Renewable Energy Investments" and "Distribution and Retail", and provides services to its customers by adding transportation, desalination and hybrid energy to its range of activities.

Çalık Enerji continues to increase its prestige and reputation in the international energy sector with innovative and creative solutions it offers by integrating developing technologies into its business ecosystem. It is one of the world's leading energy companies with 36 completed projects in 12 countries, including the world's highest budget Urban Energy Infrastructure Modernization Project, Iraq's largest Simple Cycle Power Plant, Georgia's first Combined Cycle Power Plant, Libya's greatest Power Plant, and Al-Khairat Power Plant, which was deemed worthy of 2014 "Global Best Industrial Project" award by Engineering News Record (ENR), one of the world's reputable publications in the field of contracting and engineering. Çalık Enerji ranked 110th in the list of the ENR Top 250 International Contractors by rising 7 places compared to the previous year. Acting in line with the vision of corporate and operational excellence in distribution and retail activities as of 2023, Çalık Enerji provides services to 7.3 million users and 4.3 million customers in 19 different locations through its subsidiaries, with a total transmission capacity of 12.390 MVA.

Çalık Enerji is directly committed to its corporate strategy, sustainability strategy and sustainable development goals, and acts with the strategic priorities to minimize its environmental impact and make a positive contribution to the society in every region it operates in. It became a signatory to the UN Global Compact in 2019, and has developed its business model for environment, social and governance topics while contributing to sustainable growth and community development.

You can find the details on the corporate website.

- Çalık Enerji continued its environmental investments in 2023, and contributed 263,886 tCO2e to emission reduction with its renewable energy facilities.
- Evaluations of 287 employees were completed in 2023, through the "360-Degree Evaluation Form," initiated to identify their improvement areas and emphasize their strengths.
- R&D innovation investments worth 64 million TL were realized in 2023.

Financial Summary (million TL)	2021	2022	2023
Total Assets	15,101	29,924	59,640
Net Sales	9,649	22,755	37,198
Total Shareholders' Equity	8,471	15,054	34,002

ENERGY

Yeşilırmak Elektrik Dağıtım A.Ş (YEDAŞ)

Privatized and renamed as Çalık YEDAŞ on 29 December 2010, the company began its operations in Çorum, Ordu, Amasya and Sinop under the General Directorate established in Samsun. Today, the company fulfils its obligation to provide high-quality and uninterrupted services for electricity distribution up to 5.7 TWh, with 545 employees and over 2.4 million subscribers to the smallest settlement units in Samsun, Çorum, Ordu, Amasya and Sinop provinces. Through its investments worth 5.4 billion TL to reinforce its distribution network and technological infrastructure between 2011 and 2023, YEDAŞ continues to provide services on an area of 40,000 km2 as of the end of 2023.

YEDAŞ focuses on digitalization in line with its sectoral priorities and targets, and has its own in-house software team. Continuing to work in this direction, YEDAŞ commissioned Türkiye's first distribution network-scaled energy storage system and developed remote monitoring and control systems such as SCADA, OSOS, AGİS and Mobile Workforce Management System. The company aims to continue high-quality and uninterrupted electricity services.

- YEDAŞ has started carbon and water footprint calculation and verification processes as of 2022, and created its Water Policy in 2023.
- Within the scope of Gender Equality, YEDAŞ became a signatory to the Women's Empowerment Principles (WEPs) in 2023, and established the "Equality of Energy" Committee to ensure continuity of these principles within the company.
- YEDAŞ's sustainability management structure involves the Quality and Sustainability Committee and Volunteer Sustainability Ambassadors, which consists of 28 people selected from 19 different departments on a voluntary basis.

You can find the details on the corporate website.

Financial Summary (million TL)	2021	2022	2023
Total Assets	9,229	12,938	14,123
Net Sales	5,776	11,137	12,704
Total Shareholders' Equity	5,332	8,037	9,029
Total Investment	1,634	1,840	2,336

ENERGY

Yeşilırmak Elektrik Perakende A.Ş (YEPAŞ)

YEPAŞ has been engaged in retail electricity sales since 2013, and provides electricity sales activities for regulated customers in its region consisting of Samsun, Ordu, Çorum, Amasya and Sinop provinces as well as services to free electricity consumers across Türkiye. YEPAŞ offers retail sales and services to a wide customer base from industrial enterprises to individual residential users, and from large-scale businesses to public institutions. Today, YEPAŞ is one of the most important electricity suppliers, both in its region and national market outside the region, with over 2.4 million customers and approximately 5 million users.

YEDAŞ supplies electricity to free consumers in and outside the region through bilateral agreements in accordance with free market conditions, and provides extensive services to its customers, such as marketing, sales and customer services (subscription, billing, collection, etc.).

Pivoting its business model around digitalization, YEPAŞ aims to maximize customer satisfaction. Within this scope, it provides services both for residences and workplaces through accessible customer service centres, field teams and online platforms (web and mobile applications).

In line with the importance it attaches to renewable energy, YEPAŞ is one of the first companies to supply the energy for its Head Office building based on the "green tariff", which regulated by Energy Market Regulatory Authority (EMRA). In order to raise awareness on this issue, it gifted its employees YEK-G Renewable Energy Resource Certificates from Türkiye's first and only national renewable energy certificate market operated by EPİAŞ.

YEPAŞ resolutely continues its efforts to increase customer satisfaction and environmental awareness with a focus on digitalization and sustainability.

- YEPAŞ implemented pioneering projects for the society and business world with its business processes, services and products developed with its approach to sustainability. It became a signatory to the United Nations (UN) Global Compact and to the Women's Empowerment Principles (WEPs) in 2023.

You can find the details on the corporate website.

- It was included in the in the voluntary carbon market and in the "Carbon Border Adjustment Mechanism (CBAM)" to be activated as of 2023 by issuing certificates to organization that wish to reduce their carbon emissions. Carbon sales amounted to 124,190 MW within the same year.
- YEPAŞ was deemed worthy of EFQM's 5-star "Competence in Excellence Award" and proved its understanding of outstanding performance once more.

Financial Summary (million TL)	2021	2022	2023
Total Assets	3,128	2,843	2,969
Net Sales	8,943	16,209	15,044
Total Shareholders' Equity	470	252	298

ENERGY

Kosovo Çalık Limak Energy Sh. A.

Incorporated into Çalık Holding in 2012 with Çalık Holding-Limak Holding partnership, Kosovo Çalık Limak Energy Sh.A. operates in electricity distribution and retail in Kosovo, Europe's youngest country. It operates as an electricity distributor for over 700,000 thousand subscribers steadily in conjunction with Kosovo Electricity Distribution Company J.S.C. (KEDS) and an energy supplier with Kosovo Electricity Supply Company J.S.C. (KESCO), the company carries out all electricity distribution activities in Kosovo on its own.

With the aim of better serving customers and to provide employees with an improved working environment, KEDS made investments worth 30.4 million EUR in 2023 within the scope of technology, infrastructure, low voltage (LV) and medium voltage (MV) projects. KEDS' investments for reducing technical and commercial loss have amounted to around 239 million EUR since 2013. Moreover, KEDS started to implement a new business process to evaluate sustainability-related environmental impacts in 2022. It conducted an environmental risk assessment within the scope of ISO 14001 requirements and published its first Sustainability Report in 2023 to share these activities with the public. KEDS tries to achieve the objective of "providing a reliable supply of electricity at low price" with reliable working systems and "10-Year Distribution System Operator Network Development Plan" (2014-2023), and continuously increases the number of its subscribers.

- In 2023, it made investments worth 687.4 thousand EUR in total for solar panel installations in facilities, efficient lighting systems, electric vehicle charging stations, electric vehicle and waste sorting projects.
- Established to offer students advanced theoretical and hands-on training and experience opportunities specific to the energy sector, equip them with required skills to be prepared as competent professionals in the market, and empower them to become leaders of the future; KEDS Academy has been beneficial to over 700 students so far, and 70% of the graduates have been successfully recruited at KEDS & KESCO.
- KEDS & KESCO is a signatory to the Women's Empowerment Principles (WEPs).

You can find the details on the corporate website.

Financial Summary (million TL)	2021	2022	2023
Total Assets	3,748	5,506	9,126
Net Sales	3,162	6,539	9,421
Total Shareholders' Equity	1,668	2,454	5,186

ENERGY

Aras Elektrik Dağıtım A.Ş (Aras EDAŞ)

Privatized in 2013 and taken over by the Çalık Group and Kiler Group, Erzurum-based Aras EDAŞ operates in Ağrı, Ardahan, Bayburt, Erzincan, Iğdır and Kars provinces. The company provides electricity distribution services and has more than 1.1 million subscribers as of the end of 2023.

Aiming to achieve its corporate goals with a strong technological infrastructure, new investments and sustainability vision, Aras EDAŞ is the first distribution company to receive the ISO 50001 Energy Management System standard.

In this context, Aras EDAŞ pioneered digital transformation in its sector, and included the new communication platform Aras Communication Centre (ARIMER) into its business ecosystem, first among electricity distribution companies.

- With the project named "Keeping Migratory Birds Alive" in 2023, it coated the power transmission lines with special insulated wires in certain regions across all 7 provinces in its service area to eliminate possible dangers for birds and prevent power outages.
- In 2023, it reached 62,120 people in total, including 60,000 children, as part of its social responsibility and inclusion programs.
- Reinforcing the network, offering technological infrastructure, distributing high-quality and uninterrupted energy, and ensuring customer satisfaction were prioritized with investments worth 1.6 billion TL.

You can find the details on the corporate website.

Financial Summary (million TL)	2021	2022	2023
Total Assets	1,961	7,711	13,392
Net Sales	1,465	10,196	10,383
Total Shareholders' Equity	1,157	3,013	7,937

ENERGY

Aras Elektrik Perakende (Aras EPSAŞ)

Aras EPSAŞ has been carrying out electricity retail sales since 2013 in Erzurum, Erzincan, Ağrı, Ardahan, Kars, Bayburt and Iğdır provinces, and is the primary supplier of electricity to over 2.2 million citizens. With its service quality and innovative service approach supporting technological developments, Aras EPSAŞ pursues the goals of contributing to the economy and increasing the quality of life in society with sustainable and renewable energy.

Aras EPSAŞ is the first company to use the ARİMER communication platform, which was established in the Turkish energy sector in 2019 and enables customers to directly reach managers/executives. It still continues digital transformation works. Aras EPSAŞ played a pioneering role for digitalization in the sector, and became the first retail company in Türkiye to provide customers with the opportunity to easily access the relevant invoice by adding a link to the SMS sent for information purposes.

You can find the details on the corporate website.

Financial Summary (million TL)	2021	2022	2023
Incomes	4,675	11,414	12,487
Net Sales	4,675	11,348	12,362

FINANCE

Aktif Bank

Established in 1999, Aktif Bank plays a leading role in the fintech ecosystem as Türkiye's largest privately-held investment bank. It provides approximately 16 million customers with services from banking products to insurance, from card transportation systems to payment systems, and from technology production entertainment/sports ticketing, working together with its fintech ventures and business partners across more than 10 lines of business.

Aktif Bank took pioneering systems in the finance sector with innovations such as Türkiye's first bank bond issuance, first asset-backed security issuance, first partnership-based sukuk issuance and first Eurobond issuance. The bank is active in the fields of culture, arts and entertainment with N Kolay and Passolig brands, and supports the development of these sectors. Aktif Bank provides financial support to entrepreneurs through Aktif Ventures, and continues to strengthen the fintech ecosystem with significant partnerships in the field of API sharing.

Aktif Bank operates with 15 branches across Türkiye, with its subsidiary Aktif Tech carrying out activities with the aim of sharing its know-how and technology globally including in the Balkans, Africa and Turkic Republics. Another subsidiary of the bank, UPT, is a global player that facilitates money transfers in 176 countries with over 180 global partners.

Offering highly efficient investment alternatives, Aktif Portföy maintained its leading position in the sector by increasing its portfolio size by 120% and number of participants by 148%. In 2023, it was deemed worthy of around 210 awards in total from global and local platforms. It provided microcredit support of over 8 million TL to 3,100 women in the first two years of the “Active Women in the Economy” project, which it conducts to increase financial inclusion and contribute to sustainable development and gender equality.

You can find the details on the corporate website.

- In the "Türkiye's Most Valuable Brands List" prepared by Brand Finance for 2023, Aktif Bank rose 36 places and ranked 50th by increasing its brand value by 153% compared to the previous year. Diversity and inclusion score reached 74% in the 2023 edition of the biannual employee loyalty survey.
- Aktif Bank won the Gold PSM in the "Technology Provider of the Year" category at the 2023 PSM Awards, one of the most important events in the sector where companies that pioneer the development of the finance sector and fintech and make a difference in this field are awarded. Aktif Bank continues to pioneer the development of the finance sector and fintech ecosystem with its innovative approach and versatile activities.

Financial Summary (million TL)*	2021	2022	2023
Consolidated Net Profit	761	2,021	4,126

**BRSA Consolidated*

FINANCE

Banka Kombetare Tregtare (BKT Albania)

In 2009, Çalık Group became the sole owner of Banka Kombëtare Tregtare, which was established in 1925 as the most deep-rooted banks of Albania and acquired by 60% by Çalık Group in 2006. As of 2014, the country's largest bank BKT Albania increased its market share to 25% and became the bank with the highest market share among Turkish banks abroad. BKT Albania continues to provide services to over 930 thousand customers with 63 branches, 125 ATMs and 9,631 POS terminals.

The Company's corporate strategies were determined as strengthening the deposit base as the "symbol of trust of the country"; ·a cautious stance in corporate loans, in addition to focusing on individual and commercial loans; and effective asset liability management to reduce risks and fluctuations and maximize profits. BKT Albania's total assets increased by 578 million USD (12.6%) in nominal terms compared to the end of 2022, reaching approximately 5.2 billion USD at the end of 2023. The Bank's total customer deposits increased by 363 million USD (10%) in real terms compared to the end of 2022, exceeding 4.4 billion USD. BKT Albania bases its sustainability activities on the headings of shareholders, market, employees, environment and society. BKT Albania supports sustainable profitability that enables value generation for all stakeholders. With its innovative and customer-oriented business ecosystem, it continues its activities that are beneficial to its employees, environment and society, and in compliance with the United Nation's Sustainable Development Goals.

- For the purpose of enhancing optimization of energy consumption and usage, two photovoltaic systems with a capacity of 442.26 KWP were successfully installed in 2023 to meet 30% of total water consumption in the HO building and Central Archive building.
- In 2023, 17 trainings were conducted on compliance, operational risk management and information security.

You can find the details on the corporate website.

Financial Summary (million €)	2021	2022	2023
Net Asset Value	434	444	483

FINANCE

Banka Kombetare Tregtare (BKT Kosovo)

BKT Kosovo started its activities in 2007 as a branch of BKT Albania, and brought its legacy and experience of over 80 years to Europe's youngest country. In 2018, BKT Kosovo changed its status from "A Foreign Bank Branch" to a subsidiary named Banka Kombëtare Tregtare Kosovë J.S.C., owned 100% by Banka Kombëtare Tregtare Albania. Providing services to over 240 thousand customers and being one of the fastest growing banks in Kosovo's banking sector, BKT Kosovo is the only bank that offers investment opportunities for international finance markets through digital channels in Kosovo.

As a leader in the digitalization of banking services in the Kosovan market, BKT Kosovo leads the developments in this field by offering the most innovative services and products in the banking sector. BKT Kosovo become a role model in the country with its solutions ensuring that banking is accessible and flexible at all times, using online platforms that form the basis of customer relationship management. BKT Kosovo aims to digitalize as many processes as possible in accordance with its sustainability targets, and continues to work accordingly. The Bank prioritizes sustainability, and ensures fulfilment of legal requirements, regulations and other mechanisms for environmental protection through its environment policy.

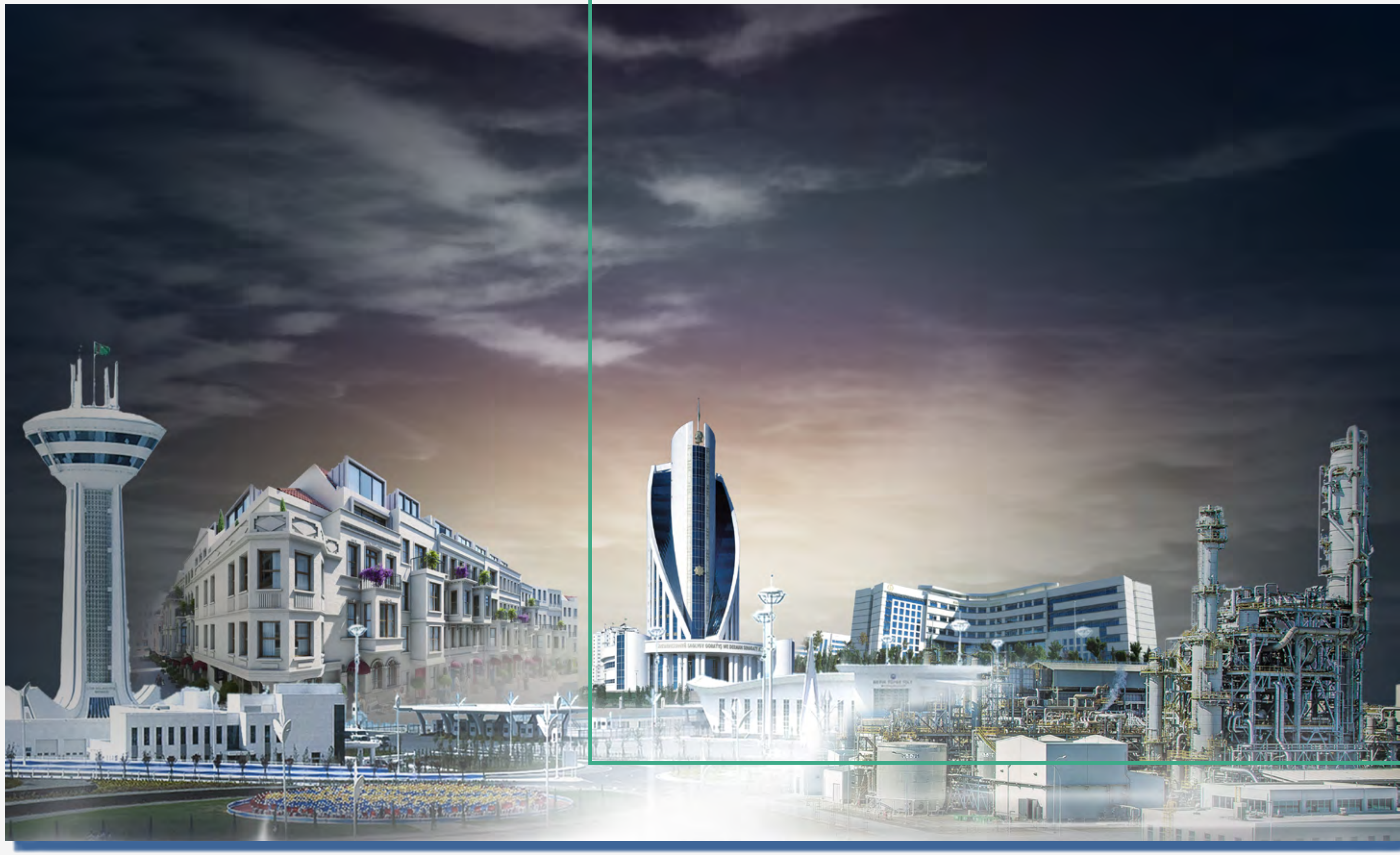
- As part of its decarbonization target, it added hybrid and electric vehicles to its fleet in 2023 for the purpose of minimizing greenhouse gas emissions caused by its fleet.
- In 2023, the positive feedback rate was 93% in the employee loyalty survey conducted with the participation of all employees.
- In 2023, it added 2 sustainable products in its portfolio, and offered 596 sustainable credit facilities.

You can find the details on the corporate website.

Financial Summary (million €)	2021	2022	2023
Net Profit	16	20	24
Net Asset Value	87	97	124

CONSTRUCTION

Gap İnşaat



Established in 1996, Istanbul-based Gap İnşaat carries out projects in line with its motto “Value for People, Value for the Future” in 3 continents. Gap İnşaat has successfully completed 137 projects, and is currently working on 10 separate projects with a professional team of managers and experienced employees, all experts in their respective areas.

As a prestigious contracting company preferred in infrastructure, superstructure, healthcare and industrial facility projects, Gap İnşaat is a pioneering and innovative solution partner that respects the environment and nature, and acts with the principle of taking maximum advantage from modern technologies. Gap İnşaat makes a distinguished name for itself with its projects in difficult geographies, and successfully completes all kinds of projects without sacrificing time and quality. Gap İnşaat continues to work with great sensitivity to create functional and aesthetic values, with the aim of generating reliable and sustainable solutions in infrastructure works. Prioritizing functionality and aesthetics in superstructure projects as well, Gap İnşaat builds environmentally-conscious structures integrated into urban life. Gap İnşaat attaches great importance to economic and environmental sustainability, produces complex solutions with its works, and develops various projects from energy efficiency to water purification systems that come to the forefront in the industrial area. Gap İnşaat works in compliance with national and international standards. In the field of healthcare, it aims to contribute to community health by offering projects that comply with standards set by the World Health Organization. Gap İnşaat proves the importance it attaches to the environment with eco-friendly solutions in offers in its projects. With its projects in several countries spread across 3 continents (especially Türkiye, Turkmenistan, Iraq, Qatar and Saudi Arabia) as a global company, Gap İnşaat has been included in ENR, list of the world's largest and most prestigious contractors, without any exceptions since 2006.

- In 2023, it provided 85,369 hours of OHS training to its employees, and recorded no accidents involving death.
- In 2023, Gap İnşaat ranked 190th in the list of Top 250 International Contractors thanks to 137 completed projects and project revenues with a total contract value of over 6 billion USD, and 10th among Türkiye's most prestigious brands in construction category.

You can find the details on the corporate website.

Financial Summary (million TL)	2021	2022	2023
Incomes	2,206	3,185	6,240
Total Assets	11,060	17,571	27,321
Total Shareholders' Equity	3,436	6,255	10,364

TEXTILE

Çalık Denim

Established in 1987 as Çalık Group's first company, Çalık Denim is among the world's leading premium denim fabric manufacturers today. Çalık Denim launched its ring spinning mill in 1997, and turned into an integrated facility by adding gabardine/velvet fabric into its product range in 2003. The Company has combined its vast knowledge and experience on fabric with a strong R&D structure, and become a prestigious technology and innovation centre throughout the years. Today, Çalık Denim's R&D Centre lead the denim sector by producing innovative fabrics for domestic and global textile industries. Çalık Denim carries out its activities on a total area of 777,152 square meters with an annual production capacity of 55 million meters and over 1,500 qualified workforces.

Acting with its deeply rooted experience in the sector and a pioneering identity in innovation, Çalık Denim maintains its product quality and strong brand image with the "Ever Evolving" motto and strong strategies. The Company designs original denim collections with innovative approaches in its strong R&D centre, and produces for global brands such as Diesel, Replay, G-Star, Tommy Hilfiger, Pepe Jeans, Topshop, River Island, Marks & Spencer, Citizen of Humanity, Guess, Joe's Jeans, Good American, Frame, Banana Republic, H&M, GAP, Zara and Mavi. Çalık Denim has the opportunity to access premium brands more easily thanks to brand awareness and value, which were enhanced by the investments in brand identity, and offers high added value production for the textile industry in Türkiye and the world thanks to this global sales and service network. By continuing effective and long-term R&D efforts and developing new technologies, Çalık Denim included several new concepts and technologies into its business ecosystem. These products not only offer many advantages during usage but also reflect Çalık Denim's sustainability and innovation approach by saving water. Çalık Denim offers collections made up of eco-friendly fabrics to its customers and strengthens its sustainability approach with its partnerships, in addition to determining its sustainability strategy as "Passion for Denim, Passion for Life" to create a positive impact for a better life.

You can find the details on the corporate website.

- Çalık Denim calculates scope 1, 2 and 3 emissions in accordance with ISO 14064-1:2018 standard every year for the purpose of evaluating its greenhouse gas emissions comprehensively. In 2023, it reduced scope 1 emissions by 10%.
- As part of Sabancı University leadership programs and Turquality brand support programs, the Company provided manager development programs to its employees in 2023.
- Çalık Denim attended the 2nd Annual Meeting of the United Nations Conscious Fashion and Lifestyle Network as the only global denim partner, and shared information on its pioneering eco-friendly technologies and responsible production model leading the positive transformation in the sector in the panel entitled "Industry, Innovation and Infrastructure: Designing A Better Future".

Financial Summary (thousand TL)	2021	2022	2023
Gross Profit	777,082	1,748,865	892,818
International Sales	497,240	1,726,504	1,227,028
Net Sales	2,059,353	7,218,118	4,582,198

TEXTILE

Gap Pazarlama

Gap Pazarlama was established in 1994, and carries out its activities as one of the major trading companies in the global textile market with specialized and experienced personnel, technical knowledge, and product diversity created through Product Development (P&D). With the successful performance and trust it has shown since the day of its establishment, Gap Pazarlama adds value to its wide customer portfolio in European, USA, Russian and Turkish markets, and contributes to the sustainable development of suppliers. The Company has been carrying out commercial activities with popular and well-known global brands in these regions, such as Forever 21, Bershka, Aeropostal, Melon Fashion Group, in addition to retail companies such as LCWaikiki, Colins, Koton, Mudo, and large market chains such as Metro, Migros, Carrefour within the country.

Gap Pazarlama aims to continue steady growth and provide value-added services to all stakeholders with the strategy of "advancing from producing class to value-creating class" by using its experience of 30 years and strong foundations. To achieve this, the BlueSea™ Strategy was prepared, focusing on circular economy, ecological approach, added value, awareness and differentiation.

Gap Pazarlama establishes permanent cooperations with integrated production facilities, and aims to produce more added value through healthy growth, thanks to new and innovative production capacity as well as agile and adaptable company structure. Gap Pazarlama continues its branding processes with Denigma© Jeans, where it provides B2C services. Appealing to the middle segment with its high quality and correct price positioning, Denigma© Jeans started sales in global e-markets such as Amazon and Ali Express, which reach the whole world, especially in the local market.

Gap Pazarlama has increased the number of sustainable products in its collection, and aims to protect the environment while meeting the expectations of its customers. Continuing its efforts accordingly, Gap Pazarlama established a Design Centre to increase its product functionality, accelerate product development and improvement works, increase innovative activities and employ more qualified workforce and design personnel. It aims to increase its innovative and sustainable success through this Design Centre. Gap Pazarlama carries out its activities with a design-oriented approach, and aims to achieve innovative and sustainable success.

You can find the details on the corporate website.

- It applied to the Turquality program in 2023 to strengthen Denigma Jeans' progress towards being a global brand, and was accepted in September 2023.
- It established a Design Centre in 2023 to systematize its design force, and was entitled to receive a Design Centre Certificate.
- In 2023, it enlarged its area of activity, and expanded its customer portfolio in European, USA and Turkish markets.

Financial Summary (million TL)	2021	2022	2023
Consolidated Income	912	1,542	1,480
Turnover	644	1,111	1,091
Total Shareholders' Equity	315	663	1,199

MINING

Lidya Madencilik

Lidya Madencilik commenced operations in 2010, after Çalık Group realized the first major international collaboration in the Turkish mining sector with Anatolia Minerals in 2009. Operating with specialized and experienced employees, and become an important player in mining with a wide range of activities from research to exploration, from development to construction and operation. It aims to become the most valuable mining company in Europe by carrying out its activities in Turkey in competitive and high standards.

Lidya Madencilik which is committed and responsible with all of its employees strives to achieve its quality targets with all subsidiaries including stakeholders. Acting in compliance with quality standards in all steps of business processes and valuing creative ideas, Lidya Madencilik continuously improves its management systems based on full participation, and considers improvements as work discipline.

Lidya Madencilik offers a working environment that complies with national and international standards socially, psychologically and physically, and carries out activities to ensure continuation of this environment. It provides its employees with trainings on occupational health and safety, environment and sustainability, and continuously improves employee performance. It aims for sustainable use and maximum protection of natural and other resources by benefitting from the best innovative methods and technologies available in all areas of its activity. In 2020, the Company was deemed worthy of Global Exploration Award by PDAC. It continues works to develop projects at various stages in Türkiye, Central Asia and Africa.

- It reported carbon emissions as per ISO 14064-1:2018 for the first time, with 2023 being the base year, and verified them as per ISO 14064-3:2019. It used the tables of GHG Protocol and Intergovernmental Panel on Climate Change (IPCC) in the reporting.
- In 2023, it conducted business evaluation to understand the volume, size and significance level of its positions, and to see its location in the sector.

Financial Summary (million TL)	2021	2022	2023
Consolidated Income	10	953	1,751
Consolidated Net Profit	443	3,440	-778
Gross Cash Flow	254	2,334	6,556

MILESTONES

1981
• Having realized his first personal venture in 1981, Ahmet Çalık continued his breakthroughs in the textile sector throughout the 1980s.

1987
• In 1987, Ahmet Çalık founded Çalık Denim, one of the world's largest denim fabric manufacturers.

1992
• The Group started its investments to establish the first denim factory in Turkmenistan.

1994
• Gap Pazarlama was established to expand the Group's market share in the international trade.

1996
• Initially established to carry Çalık Group's construction works, Gap İnşaat was restructured and started its business development activities.

1997
• Çalık Holding was established and all Group subsidiaries were reorganized under one roof.

1998
• Çalık Enerji was established.

1999
• Çalık Holding entered the financial services industry.

• Çalık Bank was established.

2002
• Aktif Bank subsidiary E-Kent was established.

2004
• Bursagaz, the natural gas distribution company of the city of Bursa, was acquired by Çalık Enerji through a privatization tender.

2006
• Çalık Holding acquired 60% shares of Banka Kombetare Tregtare (BKT), one of Albania's two biggest banks.

2007
• Çalık Holding acquired ALBtelecom, Albania's largest fixed-line operator and internet service provider, by winning the privatization tender.

• Çalık Enerji acquired Kayserigaz, a natural gas distribution company operating in Kayseri province.

2008
• Some of Bursagaz and Kayserigaz shares were sold to the Germany-based international energy company EWE.

• The Group's financial services subsidiary was restructured and renamed Aktif Bank.

2009
• Çalık Holding entered the mining sector via a joint venture with the Canada-based Anatolia Minerals, whose shares are traded on the Toronto Stock Exchange.

• Çalık Holding became the sole owner of Banka Kombetare Tregtare (BKT) by purchasing the remaining 40% shares from the EBRD and IFC.

• The privatization tender was won for Yeşilırmak Elektrik Dağıtım A.Ş, which undertakes the electricity distribution to Samsun, Amasya, Çorum, Ordu and Sinop provinces.

2010
• Çalık Holding's mining sector subsidiary was restructured under the name Lidya Madencilik.

• Yeşilırmak Elektrik Dağıtım A.Ş. was incorporated into Çalık Enerji upon completion of the handover procedure.

• Aktif Bank subsidiary UPT was established.

2011
• Çalık Cotton was established.

2012
• Lidya Madencilik increased its share in Anagold from 5% to 20%.

• Çalık Petrol was established.

2013
• Çalık Holding, in partnership with Kiler Holding, acquired Aras Elektrik Dağıtım A.Ş., which distributes electricity to seven provinces in Eastern Anatolia.

• E-Kent became the Central System Integrator by winning the Passolig e-ticket tender of the Turkish Football Federation (TFF).

• Çalık Holding sold ATV-Sabah Commercial and Economic Entity (Turkuvaz Medya).

• Lidya Madencilik raised its share in Polimetal Mining, a joint venture with Alacer Gold, from 50% to 80%.

• Aktif Bank subsidiaries PAVO and Sigortayeri were established.

2014
• Çalık Enerji's 1,250 MW Al Khairat Power Plant project was awarded the "World's Best Project" in the industry category of "Engineering News Record".

• Çalık Enerji entered the African market with the 550 MW Al Khoums Power Plant project in Libya.

• Foundations for Turkmenbashi International Sea Port Project were laid as a logistics centre in the Caspian Region, called the Silk Road Project of the new world, for which Gap İnşaat undertakes the Engineering, Procurement and Installation (EPC) works.

• Foundations were laid for Garaboğaz Fertilizer Factory to be built by a consortium between Gap İnşaat and Japanese Mitsubishi Corporation.

• Aktif Bank subsidiary PayNKolay was established.

2015

• Çalık Enerji completed and delivered Gardabani Natural Gas Combined Cycle Power Plant and carried out the operation of the facility, thereby venturing into the area of power plant operation.

• Mitsubishi Corporation and Çalık Holding entered into a partnership agreement.

2016

• Çalık Enerji, as their first wind power plant investments with an installed capacity of 72 MW, started the production of İzmir Demircili and İzmir Sarpıncık Wind Power Plants.

• Morphology, Neurology, Dangerous Infections Centre and the Public Health Centre, which are among Gap İnşaat's EPC works in Turkmenistan, were opened upon completion of construction works.

• YEDAŞ and YEPAŞ, both of which were engaged in electricity distribution and retail sales in the same service areas, were separated in 2016 to continue their activities as 2 different companies.

• Aktif Bank subsidiaries Aktif Portföy and EchoPOS were established.

2017

• The construction agreement was signed for 18 MW Tedzani-4 Hydroelectric Power Plant, the first HEPP in Sub-Saharan Africa, with a cooperation between Çalık Enerji and Mitsubishi Corporation.

• "Aden Fast-Track Mobile Power Plant", the first mobile power plant contract in the Middle East and the first project in Yemen, commenced operations.

• Gap İnşaat opened the Endocrinology Hospital, which serves as an Endocrinology and Surgery Centre in two buildings in Ashgabat, Turkmenistan.

• BKT Kosovo was established.

2018

• Mary-3 Combined Cycle Power Plant which was completed by Çalık Enerji opened in Turkmenistan.

• Gap İnşaat's Garaboğaz Fertilizer Factory was opened.

• TAP 500 Project, the most important energy project in Asia, was signed. Funding, engineering, construction, and maintenance-repair of the project were undertaken.

• Gap İnşaat held the opening ceremony for the Turkmenbashi International Seaport Project, which is the largest port of the Caspian Sea and the most important logistics centre on the historical Silk Road. The project was deemed worthy of the "Best Global Airport/Seaport Project" award by ENR 2018 Global Contractors, broke the record of "the largest harbour port below sea level", while the artificial island constructed for immigrant birds in the project holds the record of "the largest artificial island below sea level".

2019

• Gap İnşaat initiated activities in the Gulf Region with Qatar.

• Çalık Enerji and Çalık Denim became a signatory to the United Nations (UN) Global Compact.

• Secom Aktif Güvenlik Çözümleri company was established in partnership with Secom, the electronic security industry market leader in Japan.

2020

• The Romanian Power Plant Project, the first EPC construction work undertaken by Çalık Enerji in Europe, started together with Senegal's largest and first combined cycle power plant project.

• Gap İnşaat opened and delivered the Burn Treatment Centre and Cosmetology Centre built in Ashgabat, the capital of Turkmenistan. Both facilities were deemed worthy of awards by international healthcare organizations and universities with superior equipment and areas of specialization in their respective regions.

• Lidya Madencilik completed all permits for the Polimetal Balıkesir Gold Mine Project and started construction works.

2021

• Çalık Holding became a member of the "Business Council for Sustainable Development" (BCSD Türkiye).

• Çalık Holding, which carries out works that will add value to people and the world with its sustainable investment strategy, published its first Sustainability Report with the title of "Pioneering Ideas, Sustainable Investments" including the works of 2020 and before.

• Aktif Bank subsidiaries Workindo ve Aktif Ventures were established.

2022

• Çalık Holding completed the transfer of ALBtelecom to 4iG, Hungary's leading IT-Telecommunications company. As part of the sale transaction, Çalık Group became a strategic partner of 4iG.

• Çalık Holding, YEDAŞ and YEPAŞ became a signatory to the United Nations (UN) Global Compact.

• The Ahmet Çalık Foundation was established.

• Aktif Bank subsidiary Aktif Tech was established.

2023

• A memorandum of understanding was signed between Çalık Holding and Siemens Qatar, and strong cooperations were established between Çalık Enerji and Gulf Cooperation Council Interconnection Authority (GCCIA).

•The Ahmet Çalık Foundation launched the AI Specialist Training and Competence Program to develop digital skills of young university graduates within the scope of "1 Million Employment Project" by the Ministry of Treasury and Finance and in cooperation with Informatics Association of Türkiye and Istanbul Ticaret University.

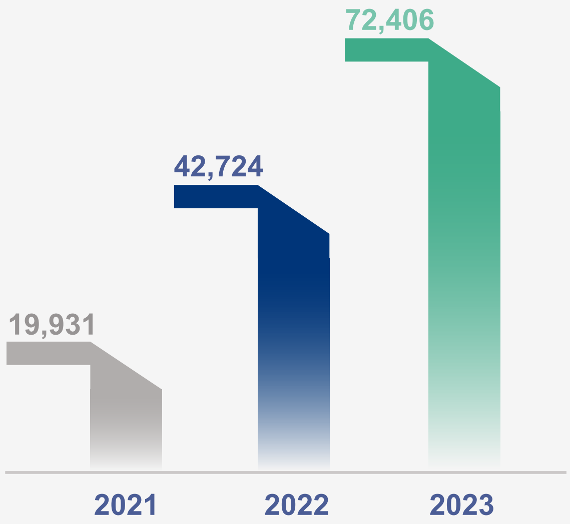
• Çalık Academy was established to contribute to the best potential and performance of Çalık Group employees.

• Çalık Enerji and Gap İnşaat rose to the 108th and 176th places, respectively, in the list of the ENR Top 250 International Contractors.

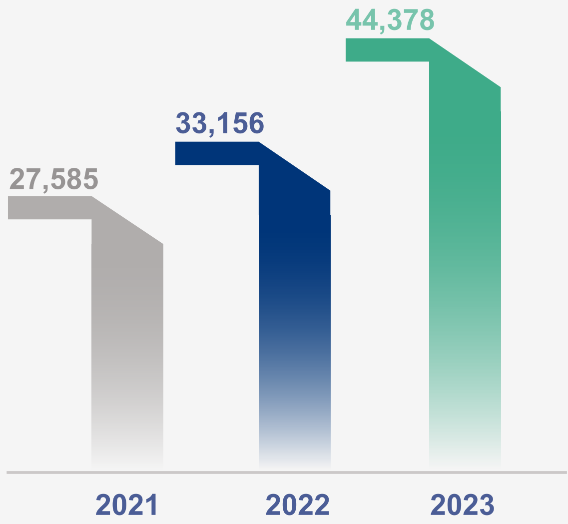
HIGHLIGHTS OF 2023

Financial Performance

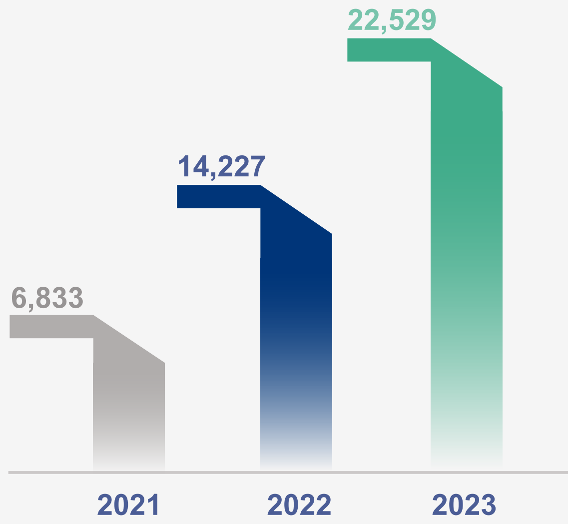
Consolidated Income (million TL)



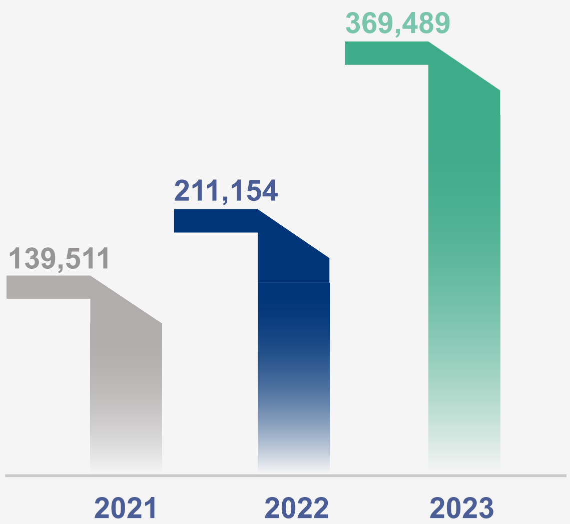
Financial Debts (million TL)



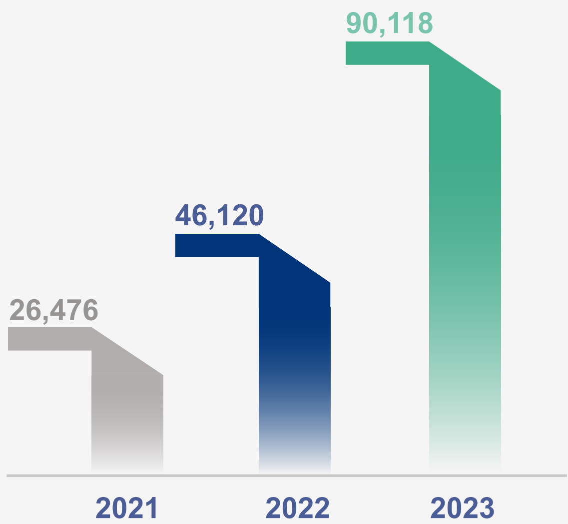
Gross Profit (million TL)



Total Assets (million TL)



Total Shareholders' Equity (million TL)



GLOBAL AND SECTORAL TRENDS IN 2023

Global Trends	How Do We Respond?	Relevant Capital Item
Climate Change Increasing extreme weather events caused by climate change damage health, cities and property, disrupting economic activity and trade. Changes in the natural environment projected to take place in the next decade, including an increase in average temperatures, will affect habitability and are expected to pose threats to human health, food security and access to water resources. All sectors, companies, public institutions, academicians and the whole society have a responsibility to combat the climate crisis, which is one of the most important problems of our century.	Explanations on our works within this scope can be found in the **"Adaptation to Climate Change"** and **"Natural Resource Management and Circularity"** sections of the report.	Natural Capital Manufactured Capital
Global Inflation Social events such as the Covid-19 pandemic and wars between countries in recent years have caused problems in the world economy. Although these events led to a stronger-than-expected recovery in emerging economies, they also led to higher inflation, high interest rates and difficult economic growth in manufacturing sectors in many countries. In 2023, global inflation continued to rise due to a combination of various economic and political factors. Energy prices, especially rising oil and natural gas costs, have been one of the main factors fuelling inflation.	Explanations on our works within this scope can be found in the **"Corporate Governance"** heading of the report.	Financial Capital

Global Trends	How Do We Respond?	Relevant Capital Item
Digital Transformation 2.0 Today, technology has gone beyond being a tool that optimises operations and has become a factor that is reshaping business models, consumer behaviour and the industry. In particular, artificial intelligence (AI) and machine learning (ML) technologies lead a major change by improving operational efficiency, automation and decision-making processes in many sectors. As digitalisation accelerates, cyber security and data privacy have gained greater importance.	Explanations on our works within this scope can be found in the **"Digital Transformation and Innovation"** heading of the report.	Intellectual Capital
Geopolitical Developments Due to the multi-layered and interconnected nature of geopolitical uncertainties and risks, the operations and activities of companies require close monitoring. It is critical for companies to adopt flexible and proactive strategies such as reviewing their cost structures and strengthening their supply chains with alternative sources of supply in order to increase their efficiency. In order to not get affected by the raw material scarcity and security issues that are expected to arise with the climate crisis, the tendency towards alternative sourcing methods is increasing. The policies determined for these reasons also affect the supply chain strategies of companies.	Explanations on our works within this scope can be found in the **"Responsible Supply Chain"** and **"Ethics and Compliance"** headings of the report.	Financial Capital

Regulatory Trends	How Do We Respond?
Sustainability-Oriented Regulations Climate-oriented regulations that started with the Green Deal in Europe have played an important role for achieving sustainability targets both in the European Union and throughout the world. In 2023, stricter emission reduction targets were set, and relevant reporting requirements were introduced within the scope of these regulations. Especially iron and steel, aluminium, cement, fertilizer, electricity and hydrogen sectors are expected to go through a transformation until 1 January 2026 with the Carbon Border Adjustment Mechanism. Moreover, new standards were developed to ensure that companies report their environmental, social and governance performances more transparently. The European Union updated the Non-financial Reporting Directive, which entered into force in 2014, with the Corporate Sustainability Reporting Directive (CSRD) at the end of 2022. Approximately 50,000 companies in Europe plan to report their impact on the environment and society as per this regulation. Within the scope of the Corporate Sustainability Reporting Directive (CSRD), companies that operate in European Union are expected to identify their environmental and social impacts, and to reduce and report the negative ones. With the communiqué published on 29 December 2023 by the Public Oversight, Accounting and Auditing Standards Authority in line with the Corporate Sustainability Reporting Directive (CSRD), Türkiye Sustainability Reporting Standards ("TSRS") obliged companies of a certain size to prepare corporate sustainability reports and disclose information on risks and opportunities regarding sustainability and climate as of 2024.	Explanations on our works within this scope can be found in the **"Adaptation to Climate Change"** heading of the report. **Relevant Capital Item** Natural Capital Manufactured Capital Financial Capital

Sectoral Trends	How Do We Respond?
Energy Conversion and Renewable Energy Investments Efforts towards the net zero emission target, which have been gaining speed globally, focus on clear energy solutions such as solar technologies, electric vehicles (EVs) and nuclear energy. The International Energy Agency (IEA) reported that sectors such as solar energy and electric vehicles have made significant progress in line with the Net Zero target by 2050. Renewable energy investments continue to increase in number with the effect of policy support and technological innovations. These developments are regarded as steps towards Türkiye's net zero emission targets. Renewable energy assets became the most attractive investment area in 2023. Global solar and wind energy capacity has been increasing, while there has been significant progress in energy storage and network modernization.	Explanations on our works within this scope can be found in the **"Digital Transformation and Innovation"**, **"Adaptation to Climate Change"** and **"Natural Resource Management and Circularity"** headings of the report. **Relevant Capital Item** Natural Capital Manufactured Capital
Decent Work Today, the concept of "decent work" not only refers to fair wages and safe working conditions but also an approach that guarantees physical and psychological well-being of employees. It aims to prevent long hours and poor working conditions. Governments, companies and non-governmental organizations should cooperate and develop appropriate laws and practices to ensure that employees work in healthy and safe environments. Decent work approach requires the business partners in the supply chain to comply with similar ethical standards. Audits and transparency in supply chains not only improve working conditions in the workplace but also raise consumers' awareness. As consumers are more aware of manufacturing processes and employee rights, companies that are engaged in ethical manufacturing gain trust in the long term.	**How Do We Respond?** Explanations on our works within this scope can be found in the **"Ethics and Compliance"** and **"Rights of Employees"** headings of the report. **Relevant Capital Item** Human Capital Social and Relationship Capital

Sectoral Trends	How Do We Respond?
Green Buildings Countries, companies, sectors and even the whole communities take action to keep temperature increase at 1.5 degree in the fight against climate change. From energy to mining, textile to construction, all sectors go through a transformation and make breakthroughs towards sustainability. Green Buildings that transform the construction sector are preferred for eco-friendly material production, energy efficiency, water savings and low carbon footprint. The World Green Building Council supports significant steps through LEED and BREAM certifications (green building certifications) based on their global impact over 70 countries. The number of projects aiming to hold these certifications increase every passing day, as their presence is an indicator that all environmental factors such as land selection and usage, utilization of renewable energy resources, air quality assessments, utilization of water resources and wastewater treatment preferences are considered from the projecting stage to the construction stage of a building.	Explanations on our works within this scope can be found in the **"Digital Transformation and Innovation"** and **"Adaptation to Climate Change"** headings of the report. **Relevant Capital Item** Manufactured Capital Natural Capital
EU Strategy for Sustainable Textiles The textile sector has inevitably gone through a transformation process due to considerable amount of environmental impact on water usage, chemical usage, energy consumption, waste consumption, land usage and biodiversity. The EU Strategy for Sustainable and Circular Textiles has emerged following these conclusions. Within the framework of this strategy, it is aimed to minimise the environmental footprint of the sector by adopting sustainable production techniques and increasing the use of renewable energy.	**How Do We Respond?** Explanations on our works within this scope can be found in the **"Ethics and Compliance"** and **"Adaptation to Climate Change"** headings of the report. **Relevant Capital Item** Financial Capital Human Capital

Sectoral Trends	How Do We Respond?
Fintech Growth With the effects of the pandemic, increasing digitalization was reflected in the financial sector above its ordinary acceleration, and reached the highest level between the first quarter of 2020 and first quarter of 2022. This digitalization on the rise increased the interest for fintech applications -which refer to the combination of financial services such as banking, payment systems, insurance and investment with technology- globally as well as in Türkiye, and led to a record number of investments in fintech ventures in 2022. Many countries have developed various fintech strategies to maintain and enhance these advantages in recent years, after fintechs galvanized their position in the financial system and contributed to the achievement of important and basic policy targets such as financial stability, integrity, inclusion, efficiency, innovation and competitiveness. Türkiye prepared the National Fintech Strategy Paper so that fintechs are supported by the government, regulated for public interest and kept up to date, and that Türkiye's fintech ecosystem stands out internationally.	Explanations on our works within this scope can be found in the **"Digital Transformation and Innovation"** and **"Sustainable Profitability"** headings of the report. **Relevant Capital Item** Financial Capital
Digital, Internet and Mobile Banking Digital, internet and mobile banking channels have gained speed concurrently with the digital transformation in the finance sector, reaching larger masses through online platforms and mobile applications 24/7, regardless of time and location. Progress has been made in customer service improvement, fraud detection and risk management with the recent advancement of artificial intelligence and automation technologies. Advantages of digitalization can also be seen in current statistics. In order to provide faster, more reliable and more user-friendly services to their customers in the future, banks should prioritize this digital transformation in the finance sector and update their business model accordingly.	**How Do We Respond?** Explanations on our works within this scope can be found in the **"Digital Transformation and Innovation"** and **"Sustainable Profitability"** headings of the report. **Relevant Capital Item** Manufactured Capital Financial Capital

Sectoral Trends	How Do We Respond?
Demand in Mines to Make Clean Energy Technologies Possible There has been a rapidly increasing demand in renewable energy, which has a critical importance for the fight against climate change. As renewable energy technologies are based on certain metals and minerals to a great extent, mining sector is critical for the completion of this transformation. The following metals come to the forefront in this transition: aluminium, copper and indium as well as some rare earth elements such as cadmium to manufacture photovoltaic panels; iron and steel required to install wind turbines; neodymium to be used in generators; copper used for energy generation infrastructure and electric vehicle technology. The mining sector can be more eco-friendly and nature-compatible with new technologies, and become one of the leading sectors in the fight against climate change with the mines it can provide to green transformation.	Explanations on our works within this scope can be found in the **"Adaptation to Climate Change"** heading of the report. **Relevant Capital Item** Manufactured Capital Natural Capital

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE APPROACH

As Çalık Holding, we adapt our integrated thinking approach to all of our business processes. Our business manner is founded on transparency, equality, accountability, and responsibility. With these principles we adopt, we not only move forward our financial success but also aim to create value for our stakeholders and society.

In this journey we set off with the motto **"A Better Çalık Holding"**, we guide all of our Group companies to take action with this approach.

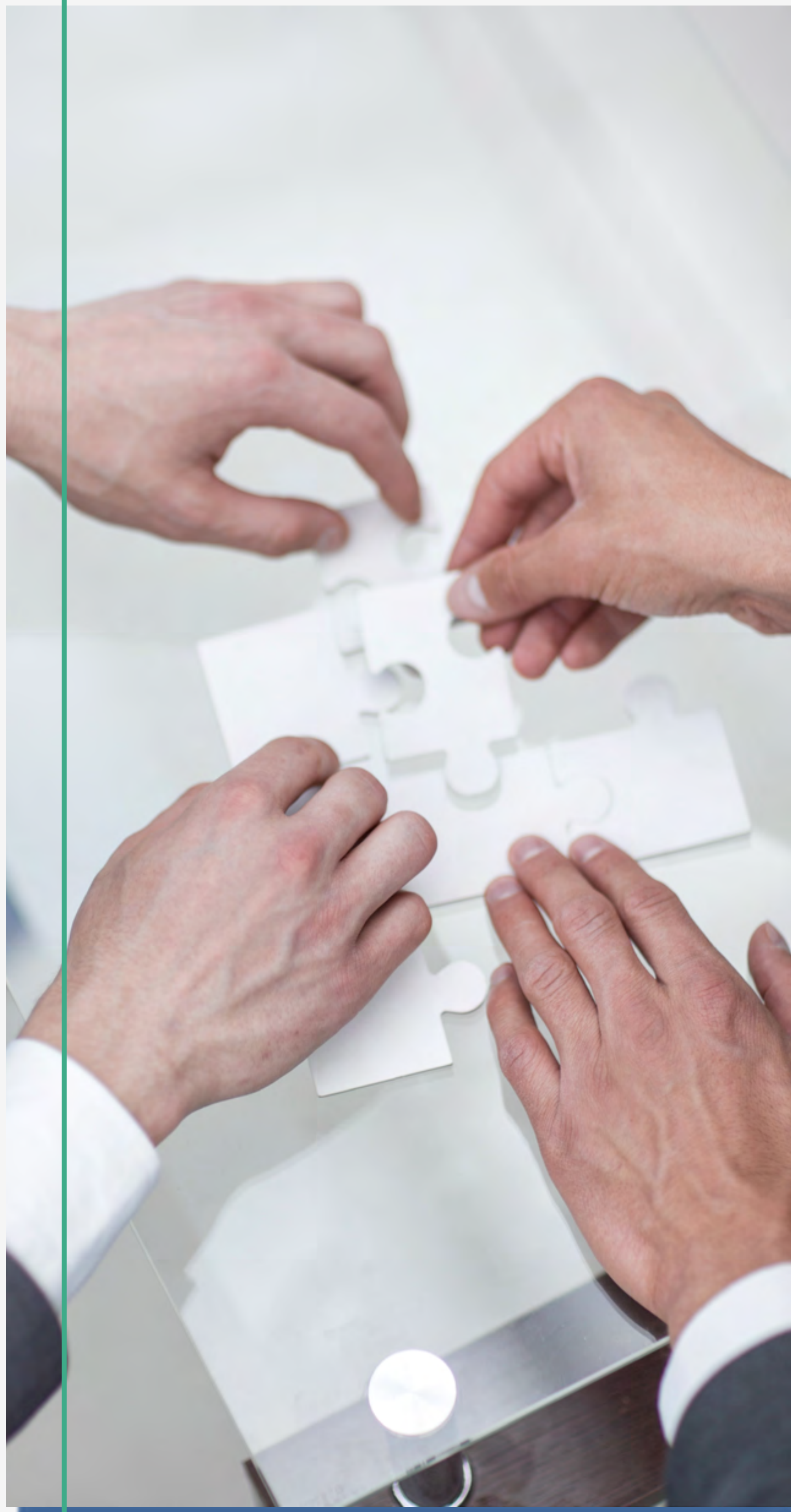
We act with the common values and root corporate culture in the countries and sectors we operate. In this journey we set off with the motto **"A Better Çalık Holding"**, we guide all of our Group companies to take action with this approach. Innovation has been our main motivation since our establishment alongside maintaining and popularizing our rooted corporate culture. We always take action to do the best and pioneer the leading companies in the sector. We are proud of being in the forefront with our activities and successes in Türkiye and in the international arena. We always prioritize our corporate values, which power the solid and reliable stance of the brand "Çalık" in all of our Holding's past and future activities. We shape our corporate values in the axis of main focal points, including Fairness, People-Orientedness, Reputation, Work from the Heart, Innovation, Agility, and Sustainability.

With our understanding of equality, we demonstrate an equal and fair approach to all our stakeholders; with our people-oriented approach, we always prioritize the happiness and development of our employees, customers, and every stakeholder we interact with. We work from the heart in our projects by valuing our reputation above everything else and we adapt to changing conditions rapidly.

We improve our business models in the pursuit of innovation at all times and we continue our leadership in the sector by differentiating ourselves. In the light of these values, we aim to contribute not only to our own success but also to the society and environment.

We consider the corporate governance approach in an integrity; we ensure that all of our activities are managed in compliance with the strategies, values and code of ethics we determine. We aim to keep the balance of risk, growth, and return at the most appropriate level while making strategic decisions with our Board of Directors and we adopt a rational risk management approach accordingly.

We have created a comprehensive internal control and audit system to mitigate potential risks that may impact our stakeholders. We have designed this system not only for financial purposes but also to ensure the accuracy and reliability of operational processes. We aim to comply with legal regulations and protect company assets through auditing and consultancy work carried out in accordance with international internal audit standards. Thus, we create the strong foundation necessary for a sustainable growth while increasing the efficiency and effectiveness of our operational processes.



BOARD OF DIRECTORS

Our Board of Directors directs our activities by following both our strategic and sustainability targets in line with the values represented by the "Çalık" brand, which is integrated with our entrepreneurial spirit and formed by our 43 years of experience.

The management body with the highest authority in our company is Çalık Holding Board of Directors. Our Board of Directors consists of 6 members to ensure that our Company is run with transparency and accountability in accordance with our principle of "fairness", one of our corporate values. Our Chairman of the Board, Ahmet Çalık, also assumes the role of CEO. In line with our Corporate Governance approach, there are 4 committees, namely Audit, Investment, Human Resources and Project Evaluation, and an Ethics Committee to support our Board of Directors.

Detailed information on our Board of Directors Committees can be found under the **Committees** title of the report.

Authorities and responsibilities of our Board of Directors have been determined within the framework of the Turkish Trade Law. Our criteria for electing a member to Board of Directors are given below:

- Having experience of senior management,
- Having the ability and experience to think multi-dimensionally, which will contribute to the company's strategy,
- Being able to evaluate financial issues,
- Complying with the corporate values,
- Being able to participate in the Board of Directors' work and devote time to it,
- Having functional expertise (Auditing, Legal, Human Resources, Sales, Marketing, Information Technologies, etc.).

Our election criteria enable us to evaluate the competencies of our Board members and increase our company's strategic decision-making power. Every new Board Member is subject to an orientation program. In this way, we facilitate the adaptation process of new Board Members to our company and ensure that they integrate their professional background into our company earlier.

Our Board of Directors meets regularly four times a year. In these meetings, our Board of Directors evaluates our company's business strategies, the effects of global and sectoral trends on our activities, the management of risks and opportunities, our company's financial performance, and sustainability efforts. Our Board members attend meetings to make decisions regarding their processes or the parties with whom they are related.

+20 Years of Experience
83.33%

Financial Sector Experience
100%

Sectoral Experience Outside Finance
100%

Manufacturing Experience
66.66%

R&D Experience
100%

P&D Experience
66.66%

Audit Experience
100%

Risk Management Experience
100%

Digitalization and Innovation Experience
100%

Environmental, Social, and Corporate Governance Experience
100%

SENIOR MANAGEMENT

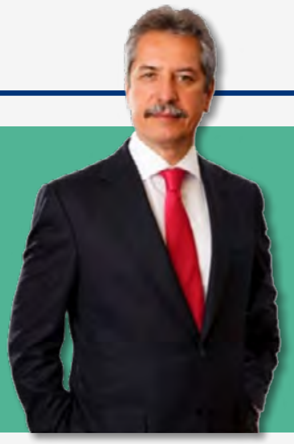
Our Senior Management ensures that our Holding and Group companies operate in line with their strategic goals in every area we operate. In line with our company's mission, vision and goals, we create a holistic road map that includes all our processes with a transparent and accountable management approach.

Our Board of Directors determines the Senior Management of our Company and the authorities of the management. Our Senior Management is composed of 11 people and is led by our CEO. Our Senior Management strives to take the financial and non-financial performance of our Holding and Group companies beyond industry standards with their education and work experience and their ability to adapt by following global and sectoral changes.

Leading the way for us to reach the strategical goals, our Senior Management responds to the changing conditions rapidly by using their authority in our strong organizational structure. In this way, we, as Çalık Holding, gain a competitive advantage with our proactive approach.

RESUMES OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Our Board of Directors



Ahmet Çalık

Chairman

Experience: 45+ years

Born in 1958 in Malatya, as a member of a prominent family operating in the textile business since the 1930s; Ahmet Çalık the Chairman of the Board of Directors of Çalık Holding, started his first personal business ventures in 1981. Currently, as one of the business leaders in both the Turkish and international markets with sustainable investments in 5 sectors including energy, construction, mining, textiles, and finance, Ahmet Çalık established Çalık Holding in 1997 to bring together all Group companies under a single roof. Focusing on projects that benefit society through his visionary investments, Ahmet Çalık is known for his integrity, reliability, strong financial assets; and long-term collaborations with international companies throughout his activities in diverse regions of the world. Ahmet Çalık has been honored with numerous awards and badges domestically and abroad, particularly including the Japanese Order of The Rising Sun, Gold Rays and Neck Ribbon, the Turkmenistan Order of Merit, Turkmenistan Mahtumkulu Award, Turkmenistan Gayrat Medal, USA Ellis Island Medal of Honor, Albania Knight of Flag Order, Republic of Turkey State Medal of Distinguished Service, Ministry of Foreign Affairs of Turkish Republic State Medal of Distinguished Service, and the Turkish Grand National Assembly Distinguished Service Award. Honorary Consul to Bursa of the Republic of Kazakhstan, Mr. Ahmet Çalık has been bestowed upon honorary doctorate by Matsumoto University and Kindai University in Japan, the University of Tirana in Albania and Malatya Turgut Özal University in Turkey. Ahmet Çalık currently serves as the Board Chairman at Çalık Holding, Group Companies, and the Ahmet Çalık Foundation.

Mahmut Can Çalık

Board Member

Experience: 10+ years

Born in 1991 and after completing his university education, Mahmut Can Çalık started his career at Çalık Pamuk and worked as a Board Member at ALBtelecom between 2013-2022. He has been a Board Member at Çalık Denim since 2019 and is also the Chairman of Çalık Petrol, Çalık Pamuk, and Çalık Tarım companies. Besides being the Vice Chairman of Ahmet Çalık Foundation and a TÜSİAD member, as of 2023, Çalık is serving as a Çalık Holding Board Member, Chairman of Gap Pazarlama and Board Member of Lidya Madencilik, Kayserigaz and Bursagaz. He is married with 2 children.

Ahmet Celalettin Yıldırım

Board Member, Head of the Group in the Strategy and Financial Relations (CSO)

Experience: 30+ years

Ahmet Yıldırım graduated from Istanbul University's Department of Economics (English) in 1991. In the same year, he joined Yapı Kredi Bank as a Management Trainee and went on to serve in various posts at the bank, before being appointed Director of the Treasury Department. Subsequently, Ahmet Yıldırım became CEO and Board Member at Yapı Kredi Bank Germany. In June 2006, he returned to Istanbul and served as CEO at Yapı Kredi Investment and as Board Member at other companies of the same group. Mr. Yıldırım continued his career as General Manager and Board Member at Alternatif Yatırım A.Ş. As of 2014, Ahmet Yıldırım serves as Board Member and President of Financial Affairs and Strategic Planning Group at Çalık Holding.

Hakkı Akil

Chief Advisor to the Chairman and Board Member

Experience: 45+ years

Born in Çorum in 1953, Hakkı Akil graduated from Galatasaray High School in 1972 and Bordeaux University in 1977 before joining the Ministry of Foreign Affairs in 1979. He held various posts at the ministry also including Ambassador to Ashkhabad in 2005-2008 and Ambassador to Abu Dhabi in 2008-2009. In 2009, he was appointed as the Deputy Undersecretary in charge of Economic Affairs at the Ministry of Foreign Affairs and Turkey's Sherpa at G-20. He served as the Ambassador to Rome in 2011-2014 and Ambassador to Paris in 2014-2016. Since 2016, he has been serving at Chief Advisor to Chairman of Çalık Holding Board of Directors. He is married with a child.

Mehmet Göçmen

Board Member

Experience: 40+ years

After graduating from the Galatasaray High School and the Middle East Technical University Department of Industrial Engineering, Mehmet Göçmen completed his Master's Degree in the Syracuse University Department of Industrial Engineering in 1983 and served in various positions at Çelik Halat ve Tel Sanayi A.Ş. from 1983 to 1993, and Lafarge Turkey from 1996 to 2003. Göçmen served as General Manager at Akçansa Çimento Sanayi ve Ticaret A.Ş. from 2003 to 2008 and appointed as the Head of Sabancı Holding's Human Resources Group in 2008, and continued as the Head of Sabancı Holding's Cement Group from 2009 to 2014. Göçmen was appointed as the Head of Energy Group in 2014, and served as CEO and Board Member at the Sabancı Holding from 2017 to 2019. As of 2020, Mehmet Göçmen serves as a Board Member of Çalık Holding.

Our Senior Management

Serdar Sümer, Ph.D.
Board Member
Experience: 25+ years

Serdar Sümer holds a degree in Business Administration from Ankara University Faculty of Political Sciences. He completed his master's in Business Administration at the College of William and Mary in Virginia, USA, and in April 2011, received a PhD in banking at the Marmara University Institute of Banking and Insurance. Sümer is a certified Financial Risk Manager (FRM) and Certified Public Accountant. He started his career in 1996 as a Sworn-in Bank Auditor. From 2008 to 2014, he served as the Executive Vice President of Subsidiaries Management and Capital Markets at Aktif Bank. After working as an executive at an industry-leading investment company, Sümer returned to Aktif Bank in 2015 to assume the role of CEO, and until the end of 2020 he served as the Bank's CEO and Board Member. As of 2021 Sümer has been working as a Board Member of Çalık Holding, Aktif Bank and Subsidiaries, BKT and Yepaş.

Ahmet Ratip Kumbasar
Çalık Holding President of Human Resources Group (CHRO)
Experience: 30+ years

Graduated from Marmara University, Department of Public Administration in 1982, Mr. Ahmet Ratip Kumbasar completed his master's degree in the same department at Georgia Southern University in 1991. After starting his professional career as Human Resources Manager at Mutlu Akü within the same year and working there for 3 years, Mr. Kumbasar joined Lafarge Company in 1995 and took several positions in the same company respectively; Human Resources Manager (Turkey) between 1995-2000, Vice President of Human Resources (Turkey) between 2000-2005, Human Resources Director (North America) between 2005-2012, Talent Management Director (USA) between 2012-2014. Returning to Turkey in 2014 and continuing his career as Human Resources Director at Genpa until 2017, Mr. Kumbasar served as the President of Human and Culture at Enerjisa Production Company between 2017 and 2021. Serving as the President of Human Resources at Sütaş Group until September 2022, Mr. Kumbasar has been working as the Serving as the President of Human Resources at Sütaş Group until September 2022, Mr. Kumbasar has been working as the President of Human Resources Group and Human Resources Group Committee Member at Çalık Holding as of this date.

Ali Fuat Çötelioğlu

Çalık Holding Information Technologies Chief Technology Officer (CTO)

Experience: 30+ years

After completed Kadıköy Anatolian High School he graduated from the Department of Computer Engineering at Boğaziçi University, Ali Fuat Çötelioğlu started his professional career at Koç Sistem Inc. as a Software Engineer. He completed his Master's Degree in Business Administration (MBA) at Yıldız Technical University in 1996, and he established the Admin Consultancy Software LTD Company in 1997 and carried out various projects. Afterwards, he worked as President of Software-Private Banking Department at ING Bank between 2001 and 2003; he served as the Director of Software & Corporate Solutions at OYAK Technology, Informatics, and Card Services Inc. between 2003 and 2007. He worked as respectively the CIO of the Borusan Automotive Group and the Borusan Holding Group from 2008 to 2017 and lastly the CTO of the Boyner Group. As of 2020, he serves as President of Information Technologies Group at Çalık Holding.

Burak Onur

Çalık Holding Chief Financial Officer (CFO)

Experience: 25+ years

Burak Onur, completed his undergraduate education at the Department of Economics in Istanbul University; and has a MBA degree from Yeditepe University. He started his professional career in 1996 at the BDO Independent Audit Company. He transferred to Digiturk in 1999 and following his experiences at various roles in the company, between the years 2013-2018 he assumed the position of CFO. He then worked as the Group CFO at Sur Yapı between 2018-2019. Burak Onur joined Çalık Holding family as Financial Affairs Director in 2019 and has been working as the Group CFO of Çalık Holding since February 2021.

Galip Tözge

Çalık Holding Head of Banking Group

Experience: 30+ years

Galip Tözge was born in 1967. He graduated from Marmara University's Department of Economics (English) and received an MBA from the University of Missouri (USA). He commenced his banking career in 1993 at Citibank, and joined Akbank T.A.Ş. in 2002. He worked at Akbank and associated companies for 12 years serving in various senior management posts, including Assistant General Manager at Akbank, and Board Member at Ak Portföy Yönetimi A.Ş. and Ak Yatırım Menkul Değerler A.Ş. Appointed as the CEO of Aktif Bank in 2015 and becoming a BKT Kosovo board member in 2022, Galip Tözge currently serves as the President of the Banking Group at Çalık Holding.

Kerim Uras

Çalık Holding Advisor to the Chairman

Experience: 40+ years

After graduating from Ankara University, Political Science Faculty, Department of International Relations in 1985, Kerim Uras completed his master's degree from the same Faculty at Ankara University, in 1987. Starting his career in 1985 at the Cyprus Department of the Ministry of Foreign Affairs in Ankara, Uras carried out various diplomatic missions abroad in Germany-Hannover, Cyprus, London, and New York UN, in addition to working at the Cyprus-Greece, Middle East, Europe, and NATO Departments in Capital. He served as Ambassador designate to Israel while residing in Ankara (due to the Mavi Marmara incident) between 2010 and 2011. Kerim Uras served as Turkish Ambassador to Greece between 2011 and 2016. In Ankara, he was appointed as Chief Foreign Policy Advisor to the Prime Minister of Türkiye and Member of the Foreign Policy Board between 2016-2018. He served as Turkish Ambassador to Canada between 2018-2023 and retired from the Ministry of Foreign Affairs. Kerim Uras has been working as Advisor to the Chairman at Çalık Holding as of 2023. He is married with 3 children.

Orhon Orhon Ph.D.

Çalık Holding President of the Procurement Group (CPO)

Experience: 20+ years

Graduating from the department of Control and Computer Engineering in Istanbul Technical University (ITU) in 2000, Dr. Orhan Orhon completed his Master's study on Engineering Management and received his PhD in Industrial Engineering at the same university. Starting his career in 1999 as an SAP Specialist at YKM Retailing Inc. Dr. Orhon worked in numerous positions in Information Systems, Financial Affairs and Supply Chain Departments until 2010. Between 2011 and 2014 he worked as Supply Chain Director and Board Member in the Medical Park Hospitals Group and served as a senior executive in various fields. Dr. Orhon Joined Çalık Energy as Procurement and Logistics Director in 2014, currently acts as President of Procurement Group at Çalık Holding.

Özlem Aksoy

Çalık Holding Corporate Communications and Sustainability Director

Experience: 25+ years

Özlem Aksoy graduated from Istanbul University, Department of Economics in English in 1995. Starting her career as an economy journalist at Sabah Newspaper between 1994 and 2000 she prepared columns and articles particularly in the fields of business, technology, human resources, and aviation. In 2000, she joined Siemens and worked as Media and Public Relations Manager for 11 years. In 2012, Aksoy joined GE and, in collaboration with the brand's global network, led 360-degree communication efforts in Türkiye. In that role, she was responsible for building and executing communications strategy to enhance and protect the reputation of GE designing, implementing, monitoring, and reviewing of strategic communication plan, deployment of corporate responsibility approach and overall internal and external communications. As of October 2023, Özlem Aksoy has been working as the Corporate Communications and Sustainability Director at Çalık Holding, where she leads reputation and stakeholder management, designing, implementing, and monitoring 360-degree strategic communications, and sustainability management.

Saim Üstündağ

Çalık Holding President of the Audit Group

Experience: 30+ years

Saim Üstündağ graduated from Middle East Technical University's Department of Economics in 1994, started his professional career at Arthur Andersen Turkey and then went on to join the Capital Markets Board in 1995 to serve in various posts. Saim Üstündağ earned his Master's degree in Accounting from the University of Illinois (USA). He served as General Secretary of the Turkish Accounting Standards Board (TMSK) in 2005. Between 2007 and 2014, Mr. Üstündağ was a Partner in the Audit Department of Deloitte Turkey. Since 2015, Saim Üstündağ has held the position of President of the Audit Group at Çalık Holding.

Semih Kutlu Sarısakal

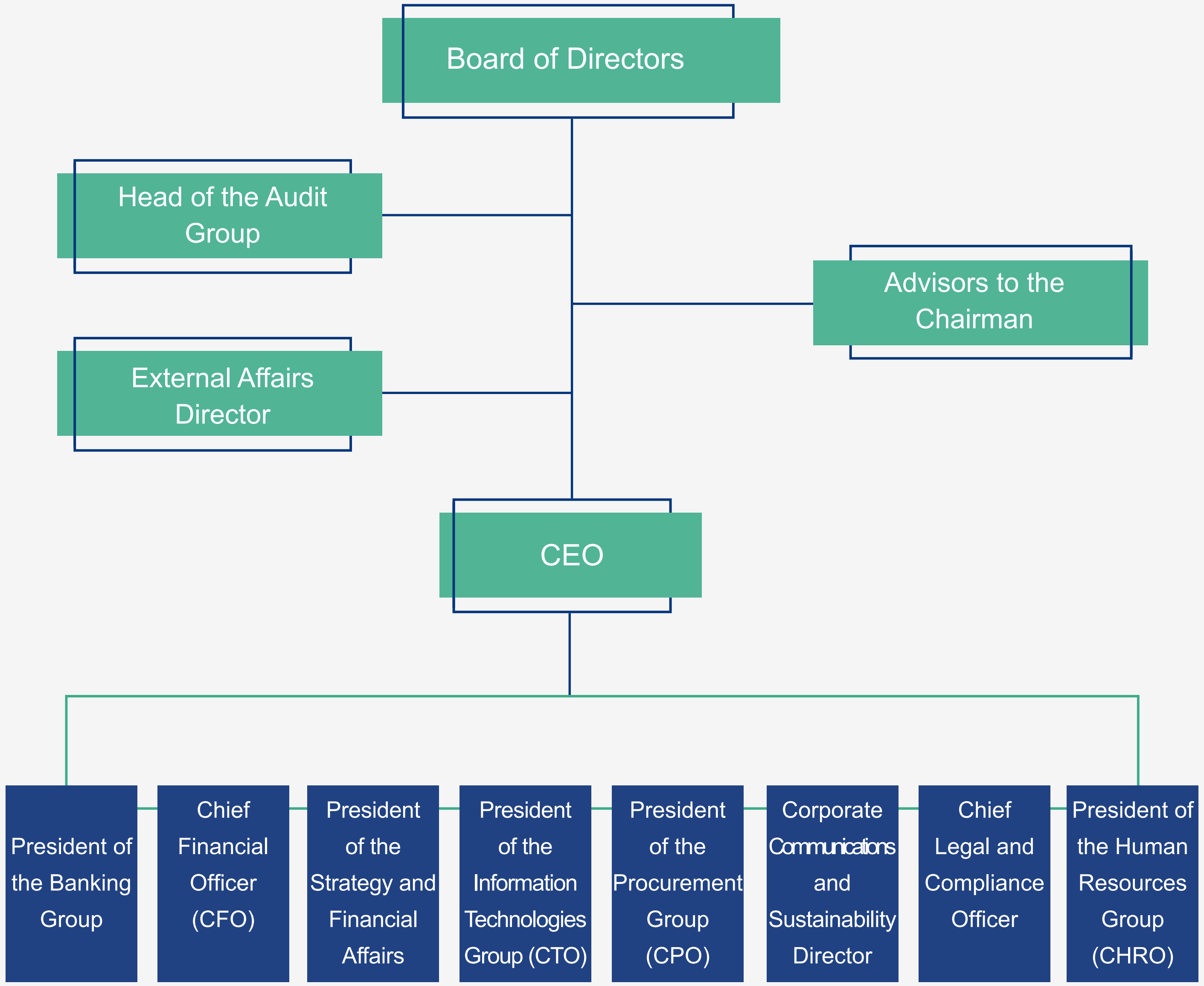
Çalık Holding Chief Legal and Compliance Officer

Experience: 30+ years

Semih Kutlu Sarısakal, a graduate of Ankara University Faculty of Law, started his professional career in 1994 at the Legal Department of Turkish Petroleum Corporation and held senior legal positions at Gama Group between 2004-2018, Çalık Holding Group companies Çalık Enerji and Gap İnşaat between 2018-2021 and Karadeniz Holding - Karpowership Group between 2021-2023. Since February 2024, Semih Kutlu Sarısakal has been the Chief Legal and Compliance Counsel at Çalık Holding.

ORGANIZATIONAL STRUCTURE

As Çalık Holding, we are aware that we need all of our employees in our organizational structure to ensure business continuity and take firm steps forward our company goals. This strong organizational structure facilitates our decision-making processes and ensures us to adapt quickly to changing conditions.



COMMITTEES

At Çalık Holding, we have five committees serving under our Board of Directors to enhance our efficiency in managing processes. These committees are important in terms of carrying out our processes effectively and in line with our strategy. All of our committees report their works and findings to the Board of Directors.

During the reporting period, we carried out updating activities in the organization structure to ensure the control of risk management processes at our company. As part of such activities, we planned to create a Risk Committee, which would be formed in 2024 and work under our Board of Directors. We aim that the Risk Committee will start to operate in 2025.

Audit Committee: The Audit Committee oversees the accounting system within our company, the disclosure of financial information to the public if required by the relevant legislation, independent auditing, and the operation and effectiveness of our Company's internal control and internal audit processes. The Committee examines and evaluates the results of internal audit works. It follows if the warnings and suggestions in the audit reports are implemented or not. As per the functioning of the Audit Committee, there are no committee members who directly carry out the executive function.

Investment Committee: Investment Committee follows developments in the industries we operate and considers new investment opportunities in line with our growth strategy.

Human Resources Committee: Human Resources Committee is responsible for determining strategies and goals regarding human resources in our company, suggesting new practices and developing the existing ones, and organizational changes and senior level appointments. All of the Human Resources functions (Talent and Redundancy Management, Wage Management, Performance Management, Training and Development Management, Digital Projects etc.) are reviewed at Human Resources Committee within the framework of annual management cycle.

Project Evaluation Committee: The Projects Evaluation Committee gathers once a year for project requests received in the budget period and, whenever necessary based on the project requests received throughout the year.

Committee;

- examines project requests where feasibility studies are carried out in received requests within the budget period and the year.
- provides remarks to be submitted to the Chairman of the Holding Board of Directors regarding the project prepared by Project Management Office.
- evaluates the project leader and project team in project request and provides suggestions for changes if any. is sponsored by the Chairman of the Board or General Manager. The project leader attends closing meetings of N-1 level projects that are hard to implement and provide high benefits (type A), and approves completion of the projects.

EFFECTIVE RISK MANAGEMENT

Effective Risk Management has critical importance in terms of establishing a strong organizational structure to attain a sustainable success and against uncertainty. In today's dynamic business world, companies face various risks resulting from internal and external factors. Such risks range from financial losses to operational disruptions and from legal issues to environmental impacts. An effective risk management approach requires to define, evaluate, and manage these potential threats proactively.

As a model integrated into strategic decision processes to transform risks into opportunities, it also plays an important role in ensuring that companies achieve both their current and future goals. This approach offers an important opportunity not only for preventing losses but also for developing innovative solutions and strengthening business processes. While evaluating the risks in Çalık Holding and our Group companies, we shape our activities and potential investments according to these evaluations. We have started works for establishing the Risk Committee in 2024 to address such efforts systematically.

We address risks related to sustainability and climate change as integral parts of our strategical plans and follow all of our risks meticulously. With our Enterprise Risk Management (ERM) approach, we aim to detect potential risks that we may face earlier and manage these effectively. This committee thoroughly evaluates the physical and transition risks related to climate change and analyses the impact of such risks on our company's overall strategies and operations.

Risks that we address as part of the Task Force on Climate-related Financial Disclosures (TCFD) will cover the physical impacts of climate change (such as extreme weather events and rise in sea level) and regulatory, market, and technological changes that we may face in the transition process. Given the financial impacts of these risk, we plan to develop management strategies appropriate for each risk.

Early detection of risks is of great importance not only in terms of preventing negative impacts but also in the awareness that every risk can potentially create opportunities. With this understanding, we conduct risk assessments in every new investment and strategical decision-making process, and we take steps in line with these assessments towards our sustainability goals. This process will ensure us not only to manage the existing risks but also to leverage the future opportunities.

In the table below, we share the main risk categories that will be addresses by our Risk Committee planned to be created and the actions we consider taking against these risks. In line with the TCFD framework, we report on the measures that we have taken and will take on the management of climate risks in a detailed way and present transparently how our company contributes to sustainability goals. With this regard, we are committed to taking solid steps toward achieving our sustainability goals by minimizing the potential impact of sustainability-related risks and opportunities on our company.

	Subcategory	Risk	Our Risk Prevention Activities
1 - Climate-Related Transition Period Risks	Policy and Legal	The increase of greenhouse gas pricing, advanced reporting liabilities, or challenges regarding the existing products and services	- We ensure the regular follow-up of regulations by the sustainability and legal teams throughout the Holding and Group companies. - We conduct information activities on compliance to procedures. - We carry out analyses for the requirements as part of compliance to future reporting standards. - We conduct emission calculation studies at all of our Group companies and make plans regarding the creation of road maps for mitigation.
1 - Climate-Related Transition Period Risks	Technology	Costs of transition to low emission technology	- We research opportunities of using green technology in our areas of activity. - We evaluate roadmaps of energy efficiency and decarbonization of our Group companies and encourage studies in these areas.
1 - Climate-Related Transition Period Risks	Market	Uncertainty in market signals and increasing raw material costs	- At Çalık Holding, we closely monitor the changing requests of our customers, market and macroeconomic developments specific to every sector together with our Group companies. We regularly review the Group portfolio and shape it according to our long-term strategy through detailed analysis of trends by our finance and strategy teams. - We consider initiatives necessary for commodity hedging transactions in the global stock exchange during the times when raw material prices tend to increase. - We regularly check the business continuity of our suppliers through evaluation studies applied to them. We continue to effective relations management with our suppliers and prioritize the principle of not being dependent on a single supplier but having diversified suppliers.

	Subcategory	Risk	Our Risk Prevention Activities
2 - Financial Risks	Macroeconomic Impacts	Issues that potentially may have negative impact on the financial status and cash flows in the operating geographies	- Under the leadership of our CSO office, we regularly inform senior management about macroeconomic developments and estimations; we take macroeconomic factors into account at every stage of the decision-making process. - We prepare 3-year budgets for our Group companies; we analyse macroeconomic data during the preparation of these budgets and we provide estimations with the support of our group banks. We regularly monitor the financial performance of our Holding and Group companies throughout the year based on budget and target values. - We determined commitment goals in compliance with the vision and strategy of Çalık Group and evaluate Group portfolios and investments accordingly to maintain our sustainable profitability. - For the purpose of maintaining our place in all sectors in which we operate at Çalık Holding and our Group companies, we continue our regular internal analyses and conduct regular benchmark studies to increase our financial and operational efficiency and manage our competitive risks. - We prepare audited financial reports with the results of June and year end and share these with all of our stakeholders transparently on our website. - In order to minimize the impact of macroeconomic fluctuations on our portfolio, we conduct financial analysis studies before making investments, taking into account the factors specific to the sector and country in which we will invest.
3 - Strategic Risks	Risk Management	Disruptions in operations due to the possibility of not being able to detect the risk	- We evaluate our risk management activities in our Holding and Group companies from a holistic perspective in line with our integrated value creation approach, and we continue our work with the motivation that risks we can detect early can create opportunities. - We have completed studies needed to establish the Risk Committee to increase our risk management process' efficiency. We plan to establish the Risk Committee and Unit in 2025.
3 - Strategic Risks	Interruptions in Business Continuity	Occurrence of unexpected events that will partially or fully interrupt the main operations	- We prepare crisis scenarios and emergency action plans to ensure business continuity in all of our sectors. In order to ensure the continuity of our production and operation activities at our Group companies, we support policy-making and quality assurance method practices, and encourage our Group companies. - We back up our data digitally, which will help us ensure our business continuity, in order to protect our existing knowledge and experience in extraordinary situations.

	Subcategory	Risk	Our Risk Prevention Activities
4 - Operational Risks	Cyber Attack	The impact of potential cybersecurity vulnerabilities and business continuity interruptions on operational performance	- We evaluate all possible IT risks in Çalık Holding and our Group Companies within the framework of ISO 27001 and NIST standards, adhering to our IT Risk Assessment Procedure. - Our HR and Administrative Affairs teams plan drills and crisis scenarios to determine relevant people to be in charge in case of natural disasters and environmental risks. When it comes to larger-scale risks such as epidemics/pandemics, we form our Crisis Committee and work on action plans to ensure that our operations are minimally affected. - We organize drills and employee training regarding the possible crisis scenarios.
	OHS Practices	Occurrence of possible accidents, near-miss situations, and fatal accidents	In case of any hazards and risks that may arise from the workplace environment or natural disasters in our work area (work accident, fire, chemical leak, flood, epidemic, etc.), our Occupational Health and Safety Board holds a meeting and prepares action plans to minimize the impact on our operations. - We prepare weekly, monthly, and 3-month audit plans for detecting non-compliances in the field.

INTERNAL AUDIT

One of the foundations of our company's sustainable success is our strong internal audit practices. Conducting an effective internal audit process ensures the healthy functioning of our financial accuracy, operational efficiency, legal compliance, and risk management processes.

Çalık Holding Audit Group Presidency carries out auditing activities on financial, operational, information systems, and technical issues in our Holding and Group companies in line with our annual audit plan. We aim to increase the activity efficiency of our companies by receiving consultancy services when needed.

Our Audit Group Presidency, following the principle of independence, directly reports to the Chairperson of the Board of Directors and the Audit Committee in the organizational structure. With this independent structure, we ensure that our audit activities are carried out objectively and transparently. As Çalık Holding, we carry out all of our operations in line with our internal policies and international internal audit standards (IIAS). In the audit processes, we carry out our work with modern techniques and tools by using digital infrastructures effectively. In this way, we increase the efficiency of our audit processes and obtain more accurate, faster, and more easily comparable results.

The Audit Group takes COSO standards and best practices as reference to evaluate the efficiency of our internal control system. By auditing the internal control processes of our Holding and Group companies within the framework of these standards, we contribute to the creation of a strong and reliable control environment. In this way, we analyse the risks in our organizational processes accurately and take necessary measures on time.

Our audit processes are shaped through risk evaluation models in conformity with international standards and an understanding of risk-oriented audits. Our annual audit plan is carried out following the approval of Head of the Board of Directors and the Audit Committee. This plan covers all the risky areas of our organization and ensures us to develop effective audit strategies.

In order to effectively implement corporate governance principles, our audit committees continuously review the internal control environment of our companies and provide the necessary support for the Board of Directors to fulfill its audit and oversight responsibilities in a healthy manner. This process has a critical importance for us in terms of empowering the corporate governance and internal control systems.

Effective internal control processes are among the fundamental elements that increase the sustainability of our organization and its resilience against risks. Our inspection activities do not only comply with the requirements but also contribute greatly to increase the operational efficiency of our company.

ETHICS AND COMPLIANCE

We carry out all our activities to design a better future with our Holding and Group companies, following our vision, mission, and values, with an ethical and transparent approach based on a sense of justice.

As Çalık Holding, we consider ethics and compliance within our sustainability priorities. We shape our activities in line with accountability principle within the framework of our ethics understanding and we comply with legal regulations in all geographies we operate in.

We act with a sense of responsibility towards our environment and all stakeholders while we carry out our projects that add value to human life and increase well-being. With this strong sense of responsibility, we signed the United Nations Global Compact in 2022 and once again demonstrated our determination in human rights, labour standards, the environment, and the fight against corruption. We also publicly report on our progress against the commitments we make regularly each year.

Within the framework of our corporate governance approach, we cooperate with our stakeholders to ensure ethical business life and create value for all stakeholders. We are also a corporate member of the Ethics and Reputation Society (TEID), the Global Compact Signatories Association and the Corporate Governance Association of Turkey (TKYD).

Business Ethics and Transparency

We prioritize ethics and compliance in the Holding and Group companies, and develop our practices under the guidance of Business Ethics and Compliance Regulation as well as its annexes; namely, Donation and Social Sponsorship Policy, Anti-Bribery and Anti-Corruption Policy, Economic Sanctions and Export Controls Policy, Gift and Accommodation Policy, Supply Chain Compliance Policy, Human Rights Policy, Competition Law Compliance Policy, Corporate Sustainability Policy, Personal Data Protection and Processing Policy, and Social Investment Policy.

Our Code of Ethics is a set of rules that come into force in our Holding and all Group companies with the approval of our Board of Directors and they enable our processes to be organized within the framework of the principles of equality, justice, and transparency. Our Code of Ethics ensures that 19 main topics regarding our responsibilities towards laws, employees, environment and stakeholders are fulfilled in accordance with our vision and mission and in line with our Group's values of fairness, being people-oriented, reputation, work from the heart, innovation, agility, and sustainability.

Code of Ethics

- Compliance with Law
- Respect for Human Rights
- Responsibilities to Shareholders
- Responsibilities to Customers
- Responsibilities to Suppliers and Business Partners
- Social Responsibility, Donations and Sponsorships
- Political Activities and Relations with Non-Governmental Organisations
- Healthy and Safe Work Environment and Environmental Protection
- Protection of Personal Data, Confidentiality and Trade Secrets
- Compliance with Economic Sanctions and Export Controls
- Competition
- Media Relations and External Communication
- Use of Social Media Accounts
- Management of Conflicts of Interest
- Doing Business with the Company After Leaving Employment
- Use of Assets
- Anti-Bribery and Anti-Corruption
- Gift Acceptance and Hospitality
- Prevention of Money Laundering

The Çalık Group Compliance Program, which was put into force in 2022 and updated in 2023, aims to generalize our business ethics and compliance processes throughout the Group and mature our ethical culture. In line with the updates in the Compliance Program in 2023, we added new policies to our integrated management system applications regulated within the scope of Code of Ethics through the establishment of policies concerning our zero tolerance approach in anti-bribery and anti-corruption, respect to human rights, our corporate goals and practices to prevent human rights abuses, our understanding of corporate sustainability, data privacy, our internal arrangements to comply with competition laws and regulations, our priorities in situations that we are subject to national and international economic and commercial sanctions, our risks in supply chain management, and other issues we take into consideration within the scope of ethics and compliance.

Our Ethics Committee is responsible for auditing our business ethics compliance activities at our Holding and Group companies. The Ethics Committee works under the supervision of our Chairman of the Board of Directors, and our Ethics Committee members act independently of the hierarchy within our organizational structure while fulfilling their duties, and respecting their independence.

The Ethics Committee

Chairman - Çalık Holding Audit Group Head
Member - Çalık Holding Human Resources Group Head
Member - Çalık Holding Chief Legal and Compliance Officer

All of our stakeholders and employees who suspect that code of ethics is violated in our activities can share their reports over Çalık Group Ethic Hotline. Ethical violation notifications can be made via "**Etik Hat**" (**Ethics Hotline**) or by using traditional methods such as mail, e-mail, telephone, and petition. While a behaviour that is considered unethical can be reported anonymously via the Ethics Line, confidentiality is also essential in reports made by name, and no retaliation is made against those who report it.

No ethical violation case was seen in 2023.

All of the reports submitted to our Ethics Hotline are evaluated by our Ethics Committee in line with confidentiality principle and sorted out as soon as possible. Appropriate actions and measures are taken against violations through the decisions of the Ethics Committee.

Report Channels on Ethics Hotline
Ethics Hotline
e-mail: etikhat@calik.com
Hotline: 0212 306 58 78
Address: Çalık Holding Notification Officer,
Büyükdere Cad. No:163 34394 Zincirlikuyu,
Şişli - Istanbul

In 2023, 16 reports were submitted to our Ethics Hotline regarding Çalık Holding. After the evaluation of these reports, 13 reports were detected to be not ethical violation. As a result of the review and evaluation of our Ethics Committee, necessary actions were taken for the 3 reports received and the notifications were resolved in a short time.

We, as Çalık Holding, care for our employees' collaboration in managing our activities ethically and transparently. In this regard, we share information and make announcements, conduct compliance training and awareness-raising studies in order to internalize our Code of Ethics throughout our Holding and Group companies. As part of our orientation program for our new employees, we emphasize the importance of business ethics in our activities by explaining our Code of Ethics and Business Ethics and Compliance Regulation. Thanks to these studies, we ensure that our employees align to Code of Ethics and keep our compliance to business ethics in our business processes at high level.

In this context, we provided a total of 90 minutes of physical ethics training as part of our compliance training to 7,524 people working in our Holding and Group companies in 2023. We also reminded them of their responsibilities in identifying and reporting ethical violations and emphasized the importance of collaborations for the development of the Holding's ethical culture.

In 2023, we provided training to a total of 7,524 people within the Group within the scope of Compliance Training.

Legal Compliance

As a company that prioritizes its reputation, we believe that our business ethics practices are among the most important building blocks of protecting our corporate reputation. We continue our work in line with the laws of the geography we operate in, adhering to our business ethics and transparency understanding in all sectors we operate. In this way, we continue our operations in line with the accountability principle and believe that we will protect our reputation without losing our stakeholders' trust.

We get all of the relevant legal authorizations before starting our operations in all of our sectors. During our operation stages, we closely monitor all legal regulations that may affect our activities under the leadership of our Legal and Compliance Consultancy, take positions following the changes, and ensure full compliance with the legal regulations.

Our Internal Audit and Internal Control systems, integrated with our management system policies, ensure our compliance with environmental, social, and governance (ESG) laws. Through ongoing studies, we maintain full compliance.In this way, no criminal sanctions were imposed and no public lawsuit was filed against the Holding, our Group companies and employees in 2023.

SUSTAINABLE VALUES

SUSTAINABILITY MANAGEMENT

Our vision, mission and companies that bring us together under the Çalık Family roof provide a common ground for our sustainability strategy. We strive to add value to every life we touch in every field we operate with our reliable teams powered by our innovation-oriented entrepreneurial spirit. As Çalık Holding, we overcome basic challenges that the world encounters and believe to have a significant role for transformation. In line with the approach of **"For a Better World"**, **"For a Better Future"** and **"For a Better Environment"**, we create a value and share it transparently.

Sustainability-oriented business practices are an inseparable part of our Group companies' corporate culture, and also shape the foundations of our vision for the future. With this understanding, we identified our focal points and targets to create value in 2023.

We evaluated the opinions of our management, employees and other stakeholders together by conducting a prioritization analysis to strengthen the social impact of our company and our business. We defined our areas to adapt to and fight the climate crisis for the purpose of identifying relevant risks and impacts.

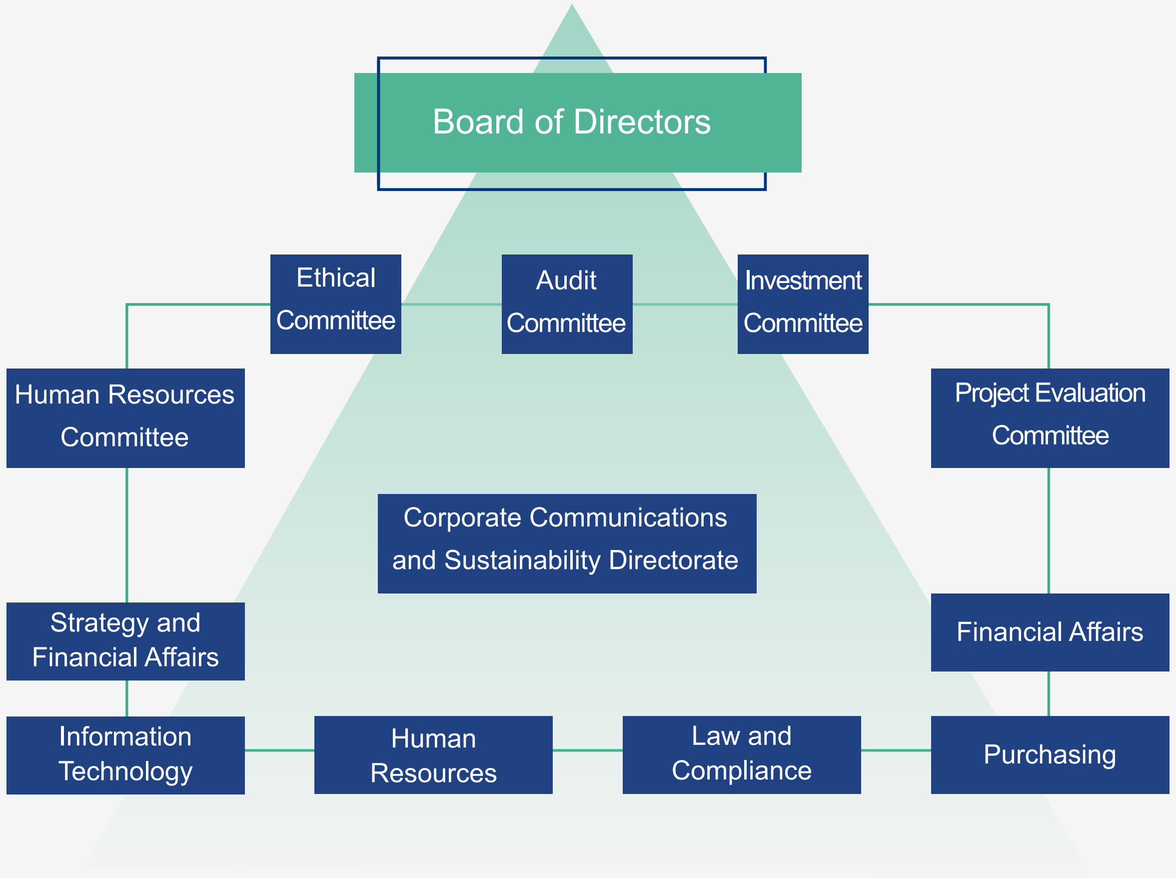
In order to have a positive impact on all stakeholders in our sphere of influence and on the society, we aim to achieve the **Net Zero** target in scope 1 and scope 2 emissions by 2050. Our goals that support inclusive growth of our Company, country and society go beyond our targets of reducing carbon emissions and reaching Net Zero.

In addition, we also assume responsibility for several topics such as employees' health and safety, social responsibility and supply chain. We aim to make a difference in the fulfilment of this responsibility by allocating our capital to renewable energy projects, green technologies, data analytics-innovation and qualified human resource development. As Çalık Holding, we are committed to create long-term value for our stakeholders, shaping our business manners responsibly, and strengthening our leading role in sustainability.

Sustainability Governance Structure

Our sustainability governance approach is handled under a strong corporate governance system directly with the Board of Directors, the highest governance body. The Board of Directors ensures that objective decisions are taken in line with the principles of transparency and accountability. The Chairman leads the Board of Directors, and encourages efficient governance and corporate management practices that are critically important for achieving strategic goals. The Integrated Annual Report is reviewed for priority topics, targets and relevant actions, and approved by the Chairman. Developments on sustainability have become a part of corporate strategies through integration into the agenda of Board meetings.

The Corporate Communications and Sustainability Directorate under the Board of Directors ensures sustainability-oriented coordination among our Group companies. The Corporate Communications and Sustainability Directorate contacts the sustainability officers of relevant departments, and monitors the determined actions, targets and data. Our sustainability efforts are supported by the Ethical Committee, Audit Committee and Human Resources Committee. We are shaping our working plan to form a Risk Management Committee and a Sustainability Committee in the next reporting period.



ÇALIK HOLDING'S MATERIAL SUSTAINABILITY ISSUES

With the principle of creating permanent value in all sectors and geographies we operate, we continue to offer products and services that add value to life in society and business world. As Çalık Holding, we make our presence felt in 34 countries and touch several stakeholders in every field across the world's different geographies. We consider this strong interaction with our stakeholders throughout our value chain as one of the keys to our success.

We care about our stakeholders' opinions for our environment, world and future. In this respect, we identified our sustainability-oriented material issues in 2023 after studying global and sectoral trends, conducting stakeholder analyses, receiving our stakeholders' opinions and obtaining approval from our Board of Directors. We linked current developments, stakeholder expectations and corporate strategy within the scope of this materiality process.

We completed our evaluations on sustainability-oriented material issues in 3 main steps; namely, "literature review and external environmental analysis," "stakeholder analysis and materiality survey" and "outputs and analysis". We conducted all processes in cooperation with a consultancy company that is expert in its field.

1 **Preparation and External Environmental Analysis**

2 **Stakeholder Analysis and Materiality Survey**

3 **Outputs and Analysis**

Preparation and External Environmental Analysis

As the first step of the materiality process, we conducted an extensive literature review, in which we scrutinized evaluations and sectoral guidance by resources such as WEF (World Economic Forum) Global Risks Report, SASB (Sustainability Accounting Standards Board) Materiality Map, WEF (World Economic Forum) Stakeholder Capitalism Metrics, S&P (S&P Global Inc) Risk Atlas, MSCI Materiality Map (ESG Industry Materiality Map), the World Business Council for Sustainable Development (WBCSD) Vision 2050 and United Nations Sustainable Development Goals.

We shaped the list of sustainability-oriented material issues with the results we reached in the light of global trends, sectoral developments and current regulations. We evaluated the list of material issues with the Corporate Communications and Sustainability team in line with Çalık Holding's sustainable management approach, and identified **14 material** issues, which were approved by our Board of Directors.

Stakeholder Analysis and Materiality Survey

We conducted a detailed stakeholder analysis with Çalık Holding management and its stakeholders. We prepared an online survey to reach our internal and external stakeholders and receive their opinions. In the management aspect of this survey, we received the opinions of executives who are Çalık Holding Board Members, Çalık Holding Senior Managers, Çalık Group companies' Board Members and Çalık Group companies' General Managers. We evaluated our stakeholders that are affected by our activities and cooperate with us for our activities in **8 main groups.** We included the Holding employees, sustainability employees of Group Companies, financial institutions, strategic partners, suppliers, public institutions, non-governmental organizations and universities in the process of identifying sustainability-oriented material issues.

Outputs and Analysis

During the 2-week analysis studies, we completed our evaluations in line with our stakeholders' expectations. We sent our online survey to **over 200** stakeholders of Çalık Holding, and collected **96 responses.** We analysed all responses from our stakeholders in detail based on the weighting that we determined before the survey process. We listed the material sustainability issues for our management, employees and stakeholders. We evaluated the consolidated responses for our material sustainability issues according to corporate strategic focal points by holding a review meeting with our Board of Directors. We handled the sustainability-oriented material issues, which constitute the main headings our report, in two groups in parallel with our targets and strategies. With the guidance and approval of our Board of Directors, we based our approach on our performance for material issues in the first group, while we presented the material issues in the second group in our report, with the thought that they may be included in the first group in the upcoming years.

> Within the scope of the materiality survey, we requested our internal and external stakeholders to evaluate our general sustainability performance over five-point scales. Among 94 responses to our questions, 59% of our stakeholders evaluated our sustainability performance at 4 and above, while general average was 3.7 out of 5 points.

Top Material Issues

- Sustainable Profitability
- Talent Management and Employee Development
- Ethics and Compliance
- Corporate Governance
- Digital Transformation and Innovation
- Rights of Employees
- Social Contributions
- Adaptation to Climate Change

High Material Issues

- Customer Focus
- Effective Risk Management
- Natural Resource Management and Circularity
- Stakeholder Collaboration and Interaction
- Diversity and Inclusion
- Responsible Supply Chain

VALUE CREATION MODEL

Inputs	Activities	Outputs	Relevant SDGs	Material Issues	Value Creation	Contributed Stakeholders
Financial Capital	Total shareholders' equity over TRY 90 billion Transparent financial management	Consolidated income over TRY 72 billion Gross profit over TRY 22 billion Total assets over TRY 369 million	5 GENDER EQUALITY 7 AFFORDABLE AND CLEAN ENERGY	**Corporate Governance** **Sustainable Profitability** **Effective Risk Management** **Ethics and Compliance**	We create value for the Turkish economy daily through our international collaborations in every sector we operate with our strong company reputation. We play a role in the integration of Türkiye into the global economy by contributing to manufacturing and export.	Employees
Manufactured Capital	Capacity of manufacturing and services Operations in 34 countries Portfolio diversified with our affiliates	The support we provide to solve the problems of the people in the geographies where we operate Pioneering many sectoral firsts through profitable investments we make in the national and international markets	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Customer Focus** **Responsible Supply Chain**	As Çalık Holding, we have devoted ourselves to improving human life with all the energy we possess in every area we operate for 26 years. We evaluate opportunities across Çalık Group, move forward with a growth-oriented roadmap, and create shareable value through our business outputs.	Non-Governmental Organization
Intellectual Capital	R&D and innovations studies Technological solutions used in business processes Innovative thinking and our capability to adapt to change Focus on developing innovative business models	Our innovation and digital transformation projects that are carried out in each company of Çalık Group Our brand recognition in the sector	10 REDUCED INEQUALITIES	**Digital Transformation and Innovation**	With our digital transformation and innovation ecosystem, we are making digitalization-focused improvements in our processes and value chain, and we continue to invest in the future with all our companies.	University

Outputs

VISION

To grow four-fold on four continents by our 44th anniversary in 2025, adding value to every life we touch in each of our areas of operation with reliable teams empowered by our innovative and entrepreneurial spirit.

MISSION

To contribute to rising standards of living by using our talents and energy to develop solutions that add value to people's lives in every region in which we operate.

OUR VALUES

Fairness
People-Oriented
Reputation
Working From the Heart
Innovation
Agility
Sustainability

Inputs	Activities	Outputs	Relevant SDGs	Material Issues	Value Creation
Human Capital	More than 16 thousand experts and competent employees Policies supporting a fair and safe workspace Investments in employee training and improvement Our programs for employee well-being	540 newly hired female employees 536,069 hours of OHS training for a healthy and safe workspace 5,615 employees subject to regular performance and career development evaluations 254 new graduates hired	11 Sustainable Cities and Communities 12 Responsible Consumption and Production	**Talent Management and Employee Development** **Employee Rights** **Diversity and Inclusion**	As the preferred employer brand in Türkiye and across the world, we contribute to employment in geographies we operate. With our “Values” that guide all our work and relationships and our working from heart and people-oriented approach, we offer our employees a safe, healthy, and peaceful work environment. With our competent human resources, we maintain our leading position in every field where Çalık Group creates an impact.
Social and Relationship Capital	Our donations, sponsorships, and collaborations A strong communication with our shareholders Our active members More than 15 thousand suppliers More than 25 million customers	Our corporate social responsibility project with Ahmet Çalık Foundation and the contribution of our employees Our stakeholder interactions High customer satisfaction at Çalık Group Local supplier rate over 66%	13 Climate Action 16 Peace and Justice Strong Institutions	**Social Contributions** **Stakeholder Collaboration and Interaction** **Customer Focus** **Responsible Supply Chain**	With our values of mutual trust and solidarity, we establish open and transparent communication with all our stakeholders and contribute to the strengthening of our stakeholders.
Natural Capital	Green and reliable energy investments Effective environmental management Water and waste management practices 64,721,473.33 kWh electricity consumption 320,564.52 tons of grid water usage	Installed capacity as part of green and reliable energy Our contributions regarding the protection of bio-diversity	17 Partnerships for the Goals	**Adaptation to Climate Change** **Natural Resource Management and Circularity**	With our 2050 Net Zero goal, we contribute to the emission goal of our country through our clean energy investments and efforts to minimize our environmental impact.

Outputs

Contributed Stakeholders

Financial Institution

Strategical Partner

Public Body

Supplier

OUR SUSTAINABILITY TARGETS

	Material Issue	Target Focus Area	Target	Target Year
ENVIRONMENT	Adaptation to Climate Change	Emission Management	Calculating the Holding's Scope 1 and Scope 2 emissions	2026
			Determining the emission target and strategy in accordance with the 1.5-Degree Goal	2030
			Net Zero emission (Scope 1 + Scope 2)	2050
		Energy Management	Obtaining ISO 50001 Energy Management System certificate at the Holding building	2026
		Trainings	Providing awareness trainings on climate change to all employees	2026
	Natural Resource Management and Circularity	Waste Management	Monitoring waste data regularly at the Head Office building, and developing a waste reduction strategy	2026
			Carrying out awareness works for reduction of single-use products	2026
SOCIAL	Talent Management and Employee Development	Talent Attraction and Retention	Back-up rate of 50% for key positions	2026
			Increasing high potential employment rate by 10% every year	2026
		Employee Trainings	Providing trainings of 40 hours/person per year	2026
			Initiating certification programs on digital technologies, artificial intelligence and analysis for employees within the scope of Çalık Academy	2025
		Employee Experience	Improvement rate of 5% in the Trust Index section of employee experience survey scores compared to the previous year	2025
	Rights of Employees	Employee Well-being	Reaching activity participation rate of 60% as part of "Çalık Yaşam+" well-being program	2025
			Offering the opportunity to rearrange existing employee benefits according to personal needs with the Flexible Employee Benefits Program	2025
	Diversity and Inclusion	Female Leaders and Senior Executives	Reaching 20% in female employee rate (director level and above)	2026
	Social Contributions	Corporate Social Responsibility	Developing a social responsibility project focused on social impact	2026
		In-house Volunteering	Designing the management of volunteering activities	2026
			Initiating volunteering activities focused on environment, qualified training and humanitarian aid	2026
			Encouraging employees' participation in volunteering projects	Continuous Target

	Material Issue	Target Focus Area	Target	Target Year
GOVERNANCE	Digital Transformation and Innovation	Digitalization and Innovation	Launching projects to increase productivity and support sustainability with innovative technologies	Continuous Target
		Digital Security	Developing a cybersecurity response process	2026
			Providing at least 1 hour of data privacy and security training to all employees	Continuous Target
	Ethics and Compliance	Business Ethics, Transparency and Regulatory Compliance	Processing and resolving 100% of complaints to the Ethics Hotline	Continuous Target
			Providing trainings on compliance to all employees, and ensuring continuity	Continuous Target
			Corporate Sustainability to ensure sustainability-related environmental and social compliance Taking necessary steps as specified in our policy	Continuous Target
	Corporate Governance and Efficient Risk Management	Corporate Governance and Management of ESG-Focused Risks	Adopting an effective sustainable governance model, and forming a Sustainability Committee to monitor sustainability targets and making necessary improvements	2026
			Analysing all possible issue that may pose risks against the Holding's sustainability, and taking preventive measures within the scope of risk management	Continuous Target
	Stakeholder Collaboration and Interaction	Stakeholder Collaboration and Customer Satisfaction	Developing solutions and services in line with internal and external stakeholders' expectations	Continuous Target
			Analysing internal and external stakeholders' opinions about the Holding with regular reputation analyses	Continuous Target
	Responsible Supply Chain	Responsible Purchasing	Adopting a procedure for responsible purchasing criteria and updating current procedures in this field	2026
		Audit	Completing environmental and social audits of critical suppliers, and archiving relevant documents/information	2030
		Codes of Conduct	Ensuring that critical suppliers sign and comply with the Codes of Conduct in addition to their contract under the relevant project/undertaking	2030

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

Global consensus around the Sustainable Development Goals (SDGs) constitutes a significant milestone driving our world towards a more inclusive and sustainable growth. As Çalık Holding, we provide full support to the global goals to ensure sustainable development and eliminate the root causes of poverty. We shape the outputs in line with these goals while shaping current and future efforts.

We signed the United Nations Global Compact and became a member of the Türkiye Network in 2022 as an indicator that we closely follow both global and international developments and support these goals. This step updated our sustainability agenda while ensuring us to internalize the Sustainable Development Goals and develop a stronger sustainability strategy. As the Group, we are carrying out our activities in line with these goals and take strong steps to contribute to the SDGs.

SDGs We Contribute to

(5) Gender Equality

(7) Affordable and Clean Energy

(8) Decent Work and Economic Growth

(9) Industry, Innovation and Infrastructure

(10) Reduced Inequalities

(11) Sustainable Cities and Communities

(12) Responsible Consumption and Production

(13) Climate Action

(16) Peace, Justice and Strong Institutions

(17) Partnerships for the Goals

STAKEHOLDER COLLABORATION AND INTERACTION

Stakeholder Communication and Interaction

Our Company adopts the principle of establishing strong and transparent relationships based on mutual trust with our stakeholders in order to achieve our targets of sustainability and long-term success. In addition to the shareholders, our stakeholders comprise a wide range of parties including our employees, customers, suppliers, society and government agencies. We are aware that all stakeholder groups have different needs and expectations, and develop efficient communication strategies with each stakeholder in consideration of these differences.

This strong communication enables us to succeed as a company and to fulfil its social responsibilities. We establish open, timely and efficient communications with our stakeholders at all stages from new investments to operational changes, and take their opinions and expectations into consideration. Therefore, we can shape both our business processes and sustainability targets in a stronger manner by having a better understanding of the social impacts of our decisions.

This year, we conducted a materiality analysis in line with the feedback from our stakeholders, with whom we create value. This materiality process is detailed in the **"Çalık Holding's Material Sustainability Issues"** section. We clarified key expectations of our stakeholders with the survey that we conducted to understand the needs of key stakeholder groups, and proceeded to take necessary action accordingly.

Stakeholder Group	Subject of Communication	Method of Communication	Frequency of Communication
Employees	- Human resources processes - Internal communication activities - In-house announcements	One-on-one interview Meeting Phone Digital channels Internal communication platform	Continuous
Financial Institutions	- Access to financial resources - Project financing - Insurance products	Visit Meeting Phone Digital channels	Periodically
Strategical Partners	- Discussions on existing and new projects	Visit Meeting Phone Digital channels Project teams	Project-based
Suppliers	- Carrying out supply processes - Trainings - Support and guidance - Audit - Tender processes	Visit Meeting Tenders Audit visits Training and development activities	Continuous
Public Institutions	- Reporting requirements set forth in laws and regulations - Opinion exchange meetings	Visit Meeting Conferences Phone Digital channels	Periodically
Non-governmental Organizations	- Cooperations on social and environmental topics	Projects	Project-based
Universities	- Internships, recruitment, etc.	Internship programs Training and development activities	Continuous
Media	- Sharing information about the Group - Press releases on business and social projects - Discussions and interviews	Visit Meeting Phone Digital channels Press meetings Interviews Press releases	Continuous

Stakeholder Collaboration

Çalık Holding's long-term business collaborations built over time and based on mutual trust contribute greatly to the Group companies' provision of products and services in high standards. Thanks to our diversified portfolio, we generate a large part of our income from international projects and investments. This strategy helps us to have a strong position at both local and global scale.
Our capital partnerships with major companies that are renowned worldwide and listed in international exchange markets, such as **Mitsubishi Corporation, SECOM, SSR Mining** and **Sand Storm**, give us the opportunity to gain a strong place in global projects. Moreover, our cooperations with industry leaders such as **General Electric, Honeywell** and **Siemens** for long years allow us to increase our operational efficiency and develop innovative solutions.

In addition, our close cooperation with international financial institutions such as **JBIC (Japan Bank for International Cooperation), JICA (Japan International Cooperation Agency), Euler Hermes and UKEF (UK Export Finance)** allow us to realize our overseas projects in a faster and more productive manner. These collaborations facilitate our access to financial resources and support our international investments.

These strategic partnerships not only strengthen current business activities but also provide a sound basis for achieving our sustainable growth targets. They also give us competitive edge in the global market and allow us to reinforce our leadership in the sector.


FOR A
BETTER
WORLD
ÇALIK HOLDiNG

TALENT MANAGEMENT AND EMPLOYEE DEVELOPMENT

We see our employees at Çalık Holding as talents committed to the corporate culture and focused on success, who have the competencies and qualifications to shape the future of our Group and society. Through the efficient communication networks of Çalık Holding and Group companies, we encourage our employees to flourish the cooperation culture, generate creative ideas, share best practices, and support collective learning and development.

We shape the basis of our human resources approach around three main pillars: transparent and agile communication; efficiency and productivity; and strong performance culture. We adopt transparent and agile communication in talent management. For this purpose, we discover new ways of attracting talents while accelerating talent development and improving talents continuously. We aim to increase awareness of efficiency and productivity, and support lean organization structure and agile decision-making. We facilitate processes by increasing the number of digitalization practices in our business. We evaluate performance based on data, and continue efforts to increase awareness of team-level and individual productivity. We aim to lead the internalization of our mission and values and development of a strong performance culture across Çalık Group. Values that make our employees meet on common ground are the building blocks of Çalık culture. We shape our talent management processes that strengthen this culture with competencies we call “Çalık DNA”.

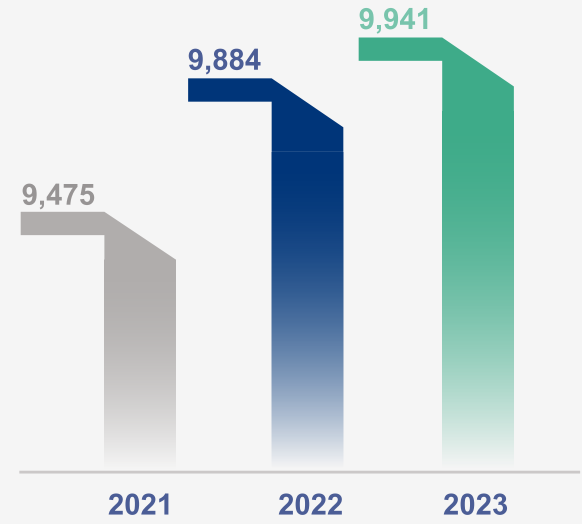
Çalık DNA competencies:

Core Competencies	Managerial Competencies
We manage stakeholders efficiently.	We develop talents.
We achieve our goals enthusiastically.	We create successful teams.
We produce original ideas.	We lead the change.
We exceed our own limits.	We shape Çalık's future.
	We manage by inspiring.

We attach importance to efficient use of Çalık DNA competencies in recruitment and career management processes. We ensure that team-level and individual targets align with strategic targets. We aim to strengthen feedback culture and increase feedback quality across the Group.

Talent management led by our human resources department comprises recruitment, career management, training and development, remuneration and employee benefits management, and performance management functions.

Number of Employees*



*Represent the number of employees excluding subcontractors, local workers in overseas projects (Çalık Enerji and Gap İnşaat), and employees at Aras and KEDS.

Employees by Category

Talent Attraction and Retention

In addition to competencies needed today, Çalık Holding attaches importance to practices that focus on capturing the future to have a talented workforce. We start our employees' career planning right from the recruitment process for the purposes of equipping new talents to our human capital and discovering areas open to improvement.

Recruitment

Çalık Holding prioritizes gaining agile candidates who adopt the "Çalık Values" and act as leaders in their work with the most suitable method for their competencies. In our recruitment processes, we care about a selection experience based on the principle of equal opportunity for each candidate, and completely on their information, skills and competencies. In our candidate selection and placement process, we offer equal and fair opportunities for everyone, without discrimination due to religion, language, race, gender, age, education, birthplace or health/physical condition.

We evaluate the organization structure with "Organization and Talent Review Process" meetings, an important part of our management cycle, after which we identify the resources we need in terms of quality and quantity and complete the workforce planning.

We follow a predefined, fair and objective recruitment process that is common across the Holding and in sectors we operate in order to become a preferable organization. After reviewing the applications, we conduct human resources and business unit interviews with eligible candidates based on their competencies. We implement position-specific recruitment evaluation tools and arrange position-specific executive acquaintance meetings. Our human resources department informs the candidates by phone and e-mail throughout the process. We present our offer to the most suitable candidates for the relevant positions' criteria, and include talented employees in our teams. In 2023, we gained 2,863 talents across Çalık Holding and Group companies.

In recruitments, we prioritize filling vacant positions with promotions or in-house candidates, where appropriate for new job postings, and training leaders from among current employees. This year, we filled **132 vacant positions with in-house candidates.**

We announce vacant positions for Çalık Holding and Group companies through our internal candidate portal Career Opportunities, Career at Çalık, LinkedIn and Kariyer.net.

Employees Recruited by Age	2021	2022	2023
Recruitment	**1,683**	**3,394**	**2,863**
Under 30 years old	854	1,270	1,108
Between 30-50 years old	787	1,822	1,530
50 years and above	42	302	225

Talent Attraction and Retention

We believe that sustainable success is only possible with enthusiastic employees, a strong team spirit and commitment to continuous improvement as well as a visionary, reliable, consistent, transparent and inclusive management understanding.

By establishing efficient communication networks across Çalık Holding and Group companies, we encourage our employees to flourish the cooperation culture, take initiatives, generate creative ideas, share best practices, and support collective learning and development.

We define potential in two groups **"rising skills"** and **"high potentials"** to identify and develop high potential employees. "Rising skills" refer to talents who have the potential of assuming **management roles** within a period of two to three years. Employees under this definition consists of chief officers and lower positions. "High potentials" refer to talents who have the potential of assuming **senior management roles** within a period of two to three years. We include rising skills into "Çalık Leaders of Future" training programs to support their development journey, and high potentials into "Çalık Leaders Council" training programs to strengthen their leadership competencies at corporate level.

Career Management

Within the scope of our career processes, we aim to increase leadership qualities of our employees, help them to handle events with different perspectives, and make them more competent in higher positions in their current career stages by developing their articulacy and rhetoric skills.

Within the framework of the **"Career Management Model"** created under the Talent Management Project, senior managers who will be promoted undergo evaluation centre practices where their leadership behavioural aspects are assessed, while employees who are preparing for mid-level managerial roles undergo evaluation within the scope of their professional focus styles.

We create road maps for critical roles with strategic back-up and career management efforts. We aim to back up all high potential employees, especially those of manager or higher positions.

As Çalık Holding, we organize **"New Graduate & Intern Programs"** with our Group companies. We also include special development plans in these programs. We create a more inclusive atmosphere in our business environment by recruiting young talents. In 2023, we recruited 254 new graduates and 380 interns within the scope of the program.

Employees Recruited	2021	2022	2023
Number of interns hired in one year	**233**	**369**	**380**
Female	100	197	218
Male	133	172	162
Number of new graduates hired	**166**	**233**	**254**
Female	113	152	157
Male	53	81	97

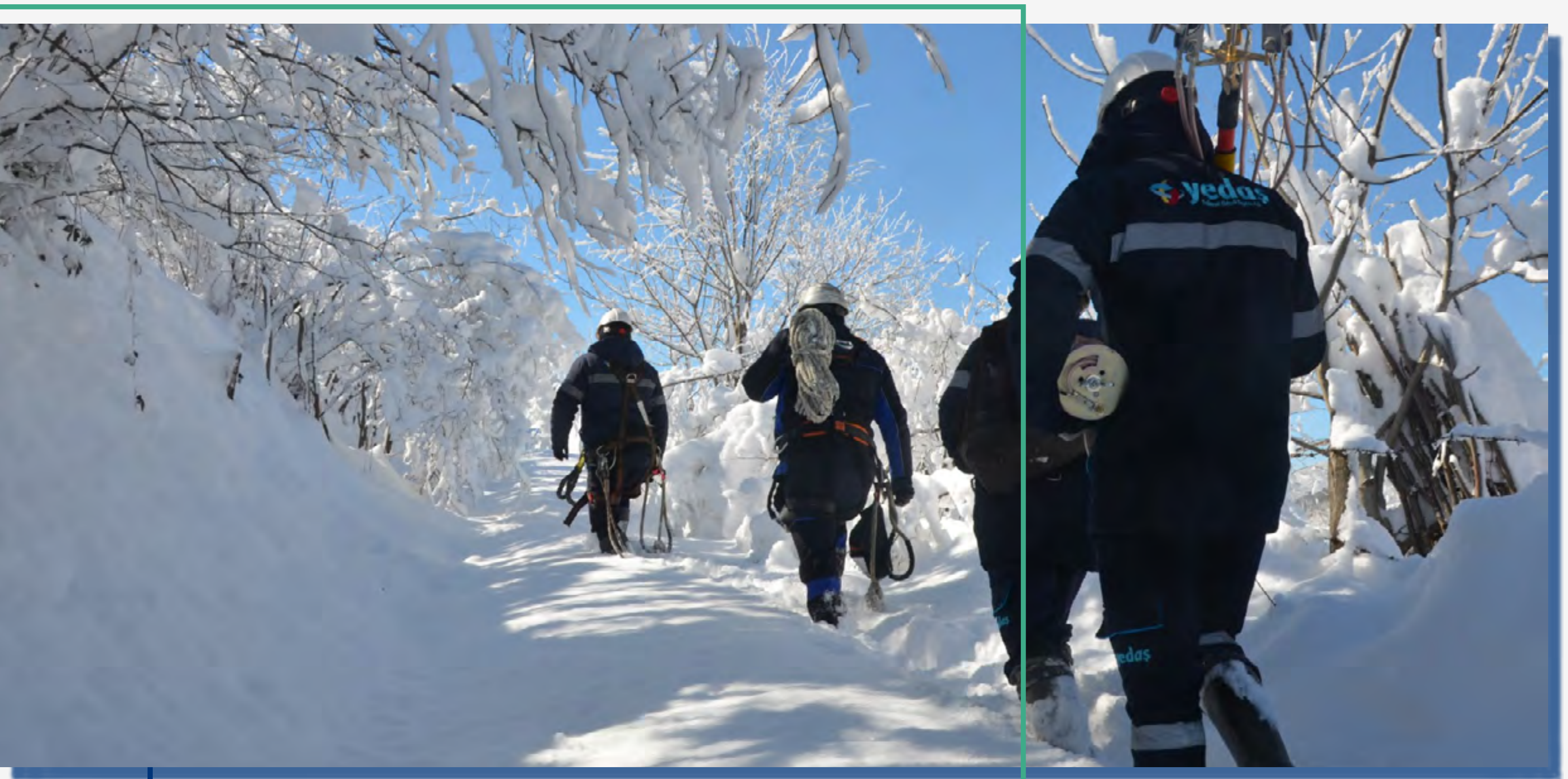
Energy Sector

YEPAŞ

YEPAŞ has prioritized contributing to the professional and personal development of its employees in line with corporate and individual targets. Employees are supported with this approach starting from their first day at work.

Individual Suggestion System

- With the "Individual Suggestion System", employees can submit their opinions and suggestions directly to the senior management, and these opinions are evaluated in line with the company's targets. Action plans and strategies prepared under the guidance of the Human Resources unit are shaped with the suggestions of employees. Established with the motto "I Have An Idea", the system is one of YEPAŞ's pioneering practices that encourages participation and supports strong communication. The Company carefully listens to the suggestions, requests and complaints of its employees, and provides an encouraging environment where they can express themselves freely. YEPAŞ encourages generalization of internal good practices by including its employees into its business strategies and continuous improvement processes, and rewards employees who create added value.



YEDAŞ

With the aim of making a difference both in the domestic market and global platform by continuously improving the competencies of its human capital, YEDAŞ has become a role model in the sector with various practices.

My Energy with You MT Program

- YEDAŞ carries out the "My Energy with You MT Program" that aims to train leaders of the future. My Energy with You MT Program provides rotation, training and mentoring support to new graduates and master's degree students of relevant departments of universities. Young talents who participate in the program take office in different departments of YEDAŞ for 1.5 years, and contribute to ongoing projects. Successful young talents who complete and graduate from the program are evaluated for recruitment opportunities at YEDAŞ. My Energy with You MT Program was opened for the applications of candidates in 2023 to attract young talents, and aims to admit 5 students in 2024.

KEDS / KESCO

KEDS and KESCO offer early career development programs designed for young graduates of universities and high schools.

KEDS Academy

- Kosovo Çalık Limak Energy pioneered the establishment of "KEDS Academy", the only energy program in Kosovo. KEDS Academy offers students advanced theoretical and hands-on training and experience opportunities that are specially adapted to the energy sector. It aims to equip the participants with required skills to take career opportunities as competent professionals in the energy sector, and to empower them to become leaders of the future. KEDS Academy graduated its 10th generation of students during the reporting period, and has been beneficial to over 600 students so far. 70% of the graduates have been successfully recruited at KEDS & KESCO.

Finance Sector

One of BKT Kosovo's main targets in business development efforts is to attract and retain a highly qualified and committed workforce. To achieve this, BKT Kosovo created a talent strategy emphasizing talent attraction and retention.

Employee Career Development Procedure

- The Bank came up with special procedures to offer the most suitable career development path to its employees. Within this scope, it designed the Employee Career Development Procedure to increase employees' development in the future based on their performance, certain banking experience, professional qualifications, personal skills, their own initiatives, brainstorming ideas, participation in teamwork, taking responsibility, etc.

Construction Sector

Gap İnşaat cares about employees' achievement of their career goals through career management. It aims for better alignment of employees to corporate culture to strengthen its reputation and increase motivation and loyalty.

Mentorship Program

- The Company offers career planning opportunities in an equal and fair environment via its mentorship program. In 2023, it completed the mentorship process with the participation of 10 mentors and 17 mentees. The process starts with the training of mentees and mentors, continues with 8 sessions and monitored by the Human Resources unit.

Performance Management

As one of the most important stages of talent management at Çalık Holding, performance evaluation process plays a major role in maintaining our pioneering position in the sectors we operate. Our performance management approach is also of great importance for appreciating and rewarding our employees in the process of achieving our strategic goals. Our strategic performance management approach contributes to the implementation of our vision and business strategies.

We implement a target-driven performance management system across the Çalık Holding and Group companies. We follow the process steps through the performance management module on Success Factors. This three-stage process carried out on an annual basis starts with the step of setting goals, with employees and managers gathering to identify individual goals. We aim to set trackable and measurable SMART individual and strategic goals considering the critical success factors of finance, customer, process, learning and development. In the interim evaluation, our employees and their relevant managers review the goals that were set in the beginning of the year. In the year-end evaluation, implementations of corporate and individual goals are evaluated in feedback meetings.

Interim Evaluation | **Year-end Evaluation** | **Target-oriented Evaluation**

For generalization of an efficient feedback culture, we conducted performance evaluations for 2023 based on Çalık DNA competencies through 360-Degree Evaluation. Our employees' feedbacks were evaluated by their affiliated personnel, managers, colleagues and other employees. The number of employees that went through regular performance and career development evaluation during the reporting period was **5,615.**

After the performance evaluation process, we create individual development plans for our employees' career goals on Success Factors, based on feedback from their managers.

Findings of the performance management system contribute to the processes of career management, promotion, rotation and transfer processes of our employees. Individual performance results are also evaluated for remuneration management, rewards and premium system.

Energy Sector

ÇALIK ENERJİ

Çalık Enerji adopts a performance management system that can evaluate performance in a versatile manner, and therefore clearly identify individual and professional improvement areas.

360-Degree Evaluation

- In 2023, the Company started using the "360-Degree Evaluation Form", through which employees can be evaluated by their managers, team mates (if any) and colleagues. Moreover, each participant can be included in the process by making their own performance evaluation. 287 employees of Çalık Holding benefited from this application in 2023.

Employee Trainings

Our training processes are one of the important steps of our talent management and employee development system to support the career development of all of our employees in line with our vision & mission, values and strategies. Our Human Resources Group Presidency aims to increase the awareness, productivity and motivation of our employees, and carry them to a high performance level for the purpose of becoming a **"Learning Organization".** In this respect, we offer our employees training and development programs that provide a common attitude to that will support not only their professional development but also their personal development.

Our training and development activities start on employees' first day at work. We implement an orientation program supported with introduction, system and process trainings to ensure that our employees complete their adaptation productively and within a short time. In the following steps, we plan training that reveals the potential of our employees and discovers their areas open to development.

We aim to ensure that more employees take advantage of the trainings thanks to our **Digital Learning Platform Çalık Kampüs.** In 2023, we provided **233,259** hours of training to our employees. Our goal is to increase average hours of training provided per employee in the upcoming periods.

Çalık Academy

Created by taking our values and Çalık DNA competencies as the basis, Çalık Academy aims to offer equal opportunities in training and support our employees to discover their potential, develop their talents and achieve their career goals. We consider Çalık Academy as an important tool to maximize our employees' potential and performance and achieve our business targets. In 2023, we launched Çalık Academy in cooperation with Sabancı University EDU, consisting of trainings for the development of leaders, who will shape the future of the Çalık Holding and Group companies.

Çalık Polaris Corporate Mentorship Program

Via our mentorship program we aim to ensure faster adaptation of newly recruited talents to our company and culture, and to boost their development and efficiency within the organization. This process also stands out as a mutual learning partnership that encourages creativity and innovation. The functioning of the program can be found on the digital human resources application, Success Factors.

Çalık Leaders of Future Program

We train the Çalık Group leaders of future with our leadership program. We reinforce the skills of creating strategic vision, efficient communication, strong team management and innovation. We aim to strengthen the leadership competencies to assume pioneering roles in the journey towards sustainable growth and success.

Çalık Leaders Council Program

Within the scope of this program, we aim to enable leaders to apply their leadership styles to diverse areas and in changing global and sectoral conditions. We work to establish a common understanding of the Çalık vision, values and leadership competencies.

Çalık Master Pro-Manager Development Program

Within the scope of this program, we aim to positively contribute to the company's performance in compliance with our corporate strategies. We work to support the participants with management-related and managerial knowledge and skills, and to give them an understanding of self-discipline and coaching.

Energy Sector

YEPAŞ prepares personalized training plans to ensure that employees can make the best of their potential, discover and develop their talents, and fulfil individual and corporate goals starting from their first day at work.

YEPAŞ Campus

- YEPAŞ offers new opportunities to its employees through LMS platform "YEPAŞ Campus" in cooperation with Enocta. Trainings for employees' competencies are allocated based on their positions and contents recommended by Enocta Training Consultants. In case of regulation updates or new training requirements within the year, unplanned trainings can also be organized with the approval of managers. With this approach, YEPAŞ underlines the importance it attaches to the development of its employees, and continues to support them both individually and professionally.

Kosovo Çalık Limak Energy supports the professional and personal development of employees with the vision of continuous development.

KEDS Training Center

- Kosovo Çalık Limak Energy established the KEDS Training Center in 2018. Training activities for KEDS and KESCO employees are planned, coordinated and supervised in the KEDS Training Center, which is managed by Kosovo Çalık Limak Energy Training Unit. It offers a large spectrum of trainings from Occupational Health and Safety (compulsory), courses classified as Technical and Non-Technical and trainings for using office programs to trainings on strategic management, customer satisfaction and working with electrical equipment. All trainings provided by the KEDS Training Center are accessible for all employees. Therefore, more employees can take advantage of the trainings.

Employee Satisfaction

One of the reasons that we are among Türkiye's best organizations is the satisfaction of our employees in the sectors we operate on the way to success. Our priority is always the happiness of our employees, who carry our value creation journey one step forward with their efforts every day. We work ceaselessly to create a comfortable and peaceful environment under the Çalık Family roof, where our employees enjoy and feel that they belong. We believe that we can achieve better work in a business environment, where our employees have a sense of belonging with all their heart.

In order to ensure employee satisfaction, we stand by them in their professional and personal development as they confidently progress in their careers via our talent management and training processes. We aim to increase satisfaction with performance and target based evaluations, fair remuneration policies and inclusive employee benefits.

Within the scope of our fair remuneration system, we prioritize making positive impacts on our employees' quality of life by offering benefits categorized by their titles. You can find detailed information in the **Remuneration and Employee Benefits** section of the report. Moreover, we reinforce internal communication in the business environment by arranging various events and organizations. You can find detailed information in the **Employee Well-being** section of the report.

RIGHTS OF EMPLOYEES

Our priorities include the creation of respectful, decent, fair, healthy and safe working conditions that protect the rights of all employees with our approach centring on human capital.

Our Holding and Group companies are subject to relevant laws and regulations, and comply with international standards and arrangements that protect the rights of over 16 thousand employees in 5 sectors and 34 countries we operate. We consider the United Nations (UN) Universal Declaration of Human Rights as our guide, and fulfil the requirements of the UN Global Compact, to which we have been a signatory to since 2022.

We never tolerate discrimination in recruitment, termination, career, promotions, discipline, compensation, employee benefits, assignments, and training processes. We value the opinions of all employees as per freedom of expression and our Code of Ethics. We do not tolerate any undesired situations for our employees, such as discrimination, verbal harassment, psychological and physical violence or threat of violence. We carry out all processes in accordance with our "Personal Data Protection and Processing Policy" in compliance with legal regulations that protect the right of privacy for all employees.

We respect the rights of our employees at the Çalık Holding and Group companies to become or not become members to trade unions or to sign/not to sign collective labour agreements without feeling under any threats.

Remuneration and Employee Benefits

Remuneration

As Çalık Holding, we adopt a fair, objective and competitive remuneration policy. We shape our remuneration management system on the basis of the Company’s strategies, the amount of work done, internal and external remuneration balance, competitive market conditions and budget.

With the principle of "equal pay for equal work", we fractionally determine our remuneration policy based on the content of the job, independent of title and person, and without discrimination due to religion, language, race, gender, political opinion, ethnicity, etc. Our Human Resources Department manages the processes of remuneration and employee benefits in accordance with the “Hay Group Methodology”, a part of Korn Ferry. We keep the remuneration and benefits up to date in consideration of many relevant factors such as market research, inflation rate and increase rates in the market/sector. We encourage our employees with our performance evaluation system that rewards high performers while contributing to sustainable successes.

Employee Benefits

In addition to statutory employee benefits, we develop practices as needed by our employees. We also plan to introduce a flexible employee benefits program that will rearrange existing employee benefits according to personal needs and preferences as of 2025.

Employee benefits and supports we offer to our employees include:

- Private Health Insurance covering all employees and their families,
- Shuttle or transportation allowance except manager positions,
- Fuel allowance for managers and higher positions,
- Vehicle allocation for employees at coordinator level,
- Target-based performance premium system for all employees,
- Meal card allowance for all employees to be used in the cafeteria or daily lunch,
- Awards for employees who have completed 5, 10, 15, 20, 25, 30, 35 and 40 years, presented by the Chairman of the Board in "Seniority Incentive Award Ceremony",

Leave days we offer to our employees include:

- Marriage leave,
- Maternity leave for female employees who give birth,
- Paternity leave for male employees whose wives give birth,
- Leave for employees whose children get married,
- Leave for death of 1st degree relatives,
- Leave for death of 2nd degree relatives,
- Leave for employees who are affected by natural disasters,
- Sick leave,
- Moving leave,
- Casual leave to be used in case of need,
- Annual leave.

Occupational Health and Safety

As Çalık Holding, we aim to offer a safe and healthy working environment to our employees and other stakeholders in our working areas. We provide Occupational Health and Safety services, when required, by showing respect to the dignity, honor, confidentiality and reputation of each person.

Our Occupational Health and Safety (OHS) practices include keeping our employees away from life-threatening accidents and hazards, using appropriate equipment, and showing an approach that prevent occupational diseases and injuries. Relevant measures also comprise our vigorous efforts to achieve the zero work accident and occupational disease targets.

Within the scope of our "Health, Safety and Environmental Policy", we display sensitivity on the following issues:

- To establish, operate and enhance the performance of an occupational health and safety management system in accordance with national and international legislation, International Labour Organization (ILO) contracts, standards of organizations we are a member of, and laws of countries we operate in.
- To continuously provide our employees and subcontractors with trainings and information as well as necessary tools and equipment, bring health and safety measures in compliance with the changing conditions, and endeavour to improve the current situation.
- To take all precautions for factors that pose risks for the safety of life and property, such as fire, injuries, working at height, ergonomics, thermal comfort and diseases. To check the feasibility of relevant works and make necessary updates.
- To conduct risk assessment to reduce or eliminate work accidents and occupational diseases, and provide a safe, healthy and ergonomic working environment to our employees.

OHS Board and Periodic Controls

Our Occupational Health and Safety (OHS) Board monitors our performance, conducts field observations on a monthly and quarterly basis, and checks measurements from outsourcing companies that provide additional services (such as environmental and occupational hygiene measurements) as well as technical personnel and employee notification processes monthly. If any non-conformities are detected, Occupational Health and Safety Board meetings are organized instantly in emergencies and quarterly under normal conditions. In the Board meeting conducted in 2023, we focused on decisions regarding various control, renewal and action plans.

We monitor Corrective and Preventive Action (CAPA) reports by recording them in action follow-up forms and field observation reports together with "opening" and "closing" documents for evidence. In 2023, **33 CAPA reports were opened**, and **24 of them were closed**, resulting in a **closing rate of 72%.** Moreover, we explore root causes of accidents and near-miss incidents with the leadership of our OHS unit. We prepare root cause analysis forms for accident reports.

In all floors of our Head Office building, there are emergency evacuation plans with visual presentations of hazards such as electricity and pressure. Moreover, we take precautions against emergencies by conducting annual firefighting and evacuation drills at the Çalık Holding building. We send mass e-mails to increase OHS awareness of office and project personnel.

Risk Assessment

Risk assessment reports for activities with possible hazards are always kept up-to-date and orderly, and documented by the risk assessment team at certain intervals. With risk assessment reports, we complete assessments specific to general office space, fieldwork outside the office, emergencies, cafeteria, cleaning, environment-waste, work equipment, field controls, boiler room, parking lot, technical spaces, infirmary, healthcare, epidemics and visitors. After completing necessary improvements, we prepare reports on the risks we identify during risk assessment, and conduct on-site examinations. Therefore, we aim to complete the whole process in a healthy way, and follow-up the impacts of the works.

OHS Trainings and OHS Awareness Efforts

We care about our cooperation with employees in order to create and maintain a healthy and safe working environment. Within this scope, we carry out all OHS practices completely and in compliance with relevant legal regulations. We organize trainings for both new recruits and existing employees in line with labour law and relevant legislation. We provide new recruits with **"Orientation"** specific to their departments. In the following periods, 8 hours of **"Basic Occupational Health and Safety"** trainings are offered in at least two face-to-face sessions. Our teams have 1 certified **"First Responder"** per 20 employees and 1 certified **"Search, Rescue and Fire Fighting Support Member"** per 50 employees. When employees involved in work accidents return to work, we plan **"Reasons of Work Accidents, Prevention and Safe Working Training"** to refresh their knowledge. In this respect, we gave **536,069 person*hours of OHS training in total** to **12,349 employees** in 2023.

Occupational Health and Safety Training Hours	2021	2022	2023
Total hours of OHS training given to employees (person*hour)	210,461	431,745	536,069
Number of employees receiving training on OHS	4,535	12,604	12,637
Average training hours per employee on OHS	46.41	34.25	42.42

OHS Practices of Our Suppliers

As Çalık Holding, compliance with internationally accepted legal, social, ethical and environmental standards and principles is among our priorities, not only for our employees but also for our suppliers, whom we see as our business partners. We demand our suppliers to take all precautions to protect their employees from life-threatening hazardous emergencies (e.g. explosions, fires, collapsing buildings, wall cracks, etc.). We expect them to keep the employees' locations and equipment compliant with occupational health and safety legislation, and take care to minimize negative environmental impacts of systems they use in their facilities.

Construction Sector

Gap İnşaat aims to encourage all stakeholders' contribution to OHS practices. In line with OHS awareness-raising targets, it works to increase the awareness of office and project personnel on occupational safety.

SEÇ-K (HSE-Q) Bulletin

- Gap İnşaat regularly publishes Health, Safety, Environment and Quality (HSE-Q) Bulletins. Moreover, the Central HSE Department prepares and implements training plans specific to projects, in line with the scope of works to be performed. Trainings included in the plans are given by experienced internal and external instructors. Drills for managing emergencies are conducted in OHS trainings. In 2023, bulletins on "Eye Fatigue", "Ergonomics", "Hazard Notification" and "Near-miss Incidents" were published.


Bureau Veritas Certification

GAP İNŞAAT YATIRIM VE DIŞ TİCARET A.Ş.

ISO 45001:2018

Energy Sector

Çalık Enerji increases awareness on occupational health and safety, and encourages its employees to participate in occupational health and safety practices.

OHSE Inventive Program

- The Company initiated the OHSE Inventive Program procedure in 2023. 588 employees at Çalık Enerji project locations were rewarded after going through an evaluation process with predetermined criteria. Within the scope of the project, it is aimed to reward the employees at project locations in the upcoming years.

Textile Sector

Çalık Denim takes all precautions to prevent recurrence of accidents.

OHS Practices

- The WSA (Work Safety Analysis) mobile reporting program is used to report and document unsafe conditions, unsafe behaviors, and near-miss incidents observed in the field. It is aimed to generalize the OHS culture among employees, and to reduce the number of accidents and lost days by taking necessary action. The 6 Sigma methodology is applied to reduce the number of lost days due to work accidents and improve business processes. To prevent the recurrence of work accidents and enhance the effectiveness of training programs, an occupational health and safety training room was constructed. This room contains simulation equipment that represents existing risks associated with workplace equipment. Through this simulation equipment, the employees are given the opportunity to experience workplace risks firsthand.

Employee Well-being

As Çalık Holding, we play an important role in Türkiye's integration with the global economy thanks to our international competition capacity, strong financial structure, prestigious business partners and high-quality projects. “Smiling Faces of Çalık” are what makes us who we are in this significant role. We reinforce the employer brand perception with this study we named “Smiling Faces of Çalık”, a strong reflection of our corporate culture and values, under the leadership of our human resource function.

We meet at many fun-packed events with the well-being practices we prepare by taking into account the wishes and expectations of our employees. We gather together at face yoga, chair yoga and pilates classes, cooking workshops for those who like cooking and countryside walks for those who love nature. Moreover, we regularly organize meetings under the leadership of HR in order to inform our employees on important topics in the company agenda and to listen to their feedback.

Our Employee Experience Committee endeavours to improve all in-house practices. We enhance team spirit by planning activities and events with different groups in our hobby groups, such as sports, travel, gastronomy, music, cinema and theatre.

With "AVİTA Employee Support Program", we provide 24/7 unlimited consultancy and information services in the fields of legal information, financial information, healthy nutrition, veterinary consultancy, medical information and psychological counselling, specifically for Çalık Group employees and their families. We aim to stand by our employees in every way and at every time they need.

Finance Sector

BKT
BANKA KOMBETARE TREGTARE

The Bank is committed to encourage and maintain a healthy balance between business life and personal life of its employees. BKT Kosovo aims to create a positive and satisfactory working environment that supports general success and happiness of employees by prioritizing their well-being and contentment.

Social Events

- In June 2023, the Bank started to organize regular trekking events with the participation of 55 employees. Moreover, in 2023, 30 employees participated in football events and 25 employees participated in basketball events to show their commitment to physical skills and teamwork.

Construction Sector

GAP İNŞAAT

Gap İnşaat adopts the approach of "working environment based on love and respect". In this context, it paves the way for platforms that employees can make themselves heard.

We Grow with Ideas

- Gap İnşaat continues to implement the open door policy by creating an open communication environment for its employees.
- Gap İnşaat adds competent professionals to its workforce in line with its vision and values. 12% of employees who started work 2023 were new graduates.

SOCIAL CONTRIBUTIONS

As Çalık Holding, together with all our Group companies, we prioritize not only economic indicators and targets but also activities that can contribute to society, with an awareness of our corporate responsibilities for a sustainable future. We recognize the importance of social contribution for sustainability. We continue our efforts to produce and implement projects that will positively impact every stakeholder within our sphere of influence in environmental, social and economic matters. In this regard, we aim to fulfil our environmental and social responsibilities in the projects we undertake while also increasing our contributions to the local economy and the regions where we operate.

As Çalık Group, we value contributing to the welfare of the society we interact with and the sustainable development of our environment. To establish the principles that will be adopted in developing social investment initiatives, we have created a Social Investment Policy that constitutes an integral part of the principles we commit to by joining the UN Global Compact alongside the Çalık Group Code of Ethics.

Within the framework of the Social Investment Policy we have established, as Çalık Group, we are implementing the following through Social Investments:

- We check whether the relevant Social Investment aligns with the priorities and needs of the regions where our Holding operates commercially.
- We assess whether there is a clear and direct connection between our business strategy and social investment activities.
- We build strong relationships with non-governmental organizations, international institutions, universities or individuals to propose applicable solutions.
- We consider whether the intended outcomes and results of the Social Investment are measurable and scalable in design and have the potential to be disseminated to other businesses and regions.
- We evaluate whether the conditions for compliance with social and environmental objectives, as stated in the United Nations Sustainable Development Goals, are met.
- We verify the compliance of agreements related to Social Investments with the principles of the United Nations Global Compact.
- Under Social Investments, we conduct due diligence for real and legal persons supported by our Group.
- We ensure that the Social Investment to be carried out adheres to the principles regulated by Policies that are an integral part of the Ethics and Compliance Regulation.

Çalık Holding established the Ahmet Çalık Foundation in 2021 to expand its sphere of influence through social responsibility projects and voluntary work with the contribution of all segments of society, to provide services in the fields of education, science, technology, social and health, and to create value for humanity. The Ahmet Çalık Foundation, which ensures that the social responsibility activities of our Holding are carried out under the same roof, also monitors the development and continuation of the social responsibility projects that were launched prior to this initiative. To date, the Ahmet Çalık Foundation has implemented numerous projects aimed at supporting innovative and strategic research and development projects in education, science, technology, social issues and health, organizing congresses and conferences, supporting scientists, entrepreneurs and students, contributing to meeting the educational, health, and basic needs of all segments of society, preserving our country's historical and cultural values and leaving a liveable world for future generations.

Ahmet Çalık Foundation Voluntary Platform

Ahmet Çalık Foundation Voluntary Platform, which was set in motion with our employees' voluntary participation, aim to draw attention to every community-focused project. With our volunteer teams, we take it upon ourselves to address every issue concerning humanity and nature, conducting our work with great awareness. We carry out our projects within the framework of the United Nations Sustainable Development Goals, considering sustainability one of our highest priorities.

Our Ahmet Çalık Foundation Volunteer teams aided Malatya to heal the wounds caused by the earthquake that occurred on February 6, centred in Kahramanmaraş which affected surrounding provinces. They provided psychological support to adults and assistance in gamification topics for children. Our warehouse team distributed products and meals according to a needs list in Malatya and its surrounding areas. From the moment the earthquake occurred, we closely monitored the process and conducted our efforts with sensitivity.

Social Responsibility

As Çalık Holding, we are aware that our impact extends beyond the boundaries of the business world. In line with this awareness, our sense of social responsibility is at the centre of everything we do. We aim to create a positive impact on society and protect the environment through our activities. As Çalık Holding, we actively participate in initiatives that provide solutions to social issues, promote sustainability and empower every stakeholder within our sphere of influence.

We operate with the belief that contributing to society is one of the fundamental elements of achieving success. We always adopt an ethical and fair approach in our activities. With our Donation and Sponsorship Policy that we established in this context, we operate on a zero-tolerance principle against the unlawful use of donations and sponsorships and violations of Turkish laws and other relevant regulations. We conduct our donations and sponsorships in accordance with applicable legislation, Code of Ethics, internal policies, and procedures, including our vision, mission, strategic goals, company values and Donation and Sponsorship Policy.

Within the scope of the Donation and Sponsorship Policy we have established, we pay attention to the following issues in all donations and sponsorship activities carried out by Çalık Group:

- All donation and sponsorship activities must comply with the company's articles of association, general assembly and/or board of directors’ resolutions, internal policies, procedures and relevant legislation.
- All donation and sponsorship activities must comply with all relevant legal regulations, including but not limited to capital markets, commercial law and tax legislation applicable in the countries where Çalık Group operates.
- All donation and sponsorship activities must aim for legitimate humanitarian aid or benefit to society, should not provide benefits to specific individuals, must not violate any social norms, and should align with the Çalık Group brand and corporate identity.
- Donations and sponsorships must be real, reasonable and proportionate.
- Such donation and sponsorship must be documented in accordance with the relevant legislation and the donation or sponsorship costs must be made against a receipt.
- In any possible situation, Çalık Group should carry out its donation and sponsorship activities through a written agreement or similar documents.
- Donations and sponsorships should be kept in accounting records in accordance with the legislation.
- Donations and sponsorships should not be provided through third parties.
- Control and approval procedures regarding donations and sponsorships at Çalık Group are carried out within the scope of this policy. Employees should not make donation and sponsorship agreements under any name contrary to the policy.
- If the donation is provided in kind, Çalık Group should, wherever possible, emphasise the need for the recipient to record the donation in its own inventory. In this context, Çalık Group may request a confirmation letter from the recipient stating that the donation has been recorded in the inventory, and the corporate communications department or, as required by the circumstances, the finance department will be responsible for following up on this process.
- Efforts will be made to ensure that the donations and sponsorship activities provided by Çalık Group to the recipient will not be used for unlawful purposes and will only be utilized for the purposes stated in the donation and sponsorship agreement.

With our policies and priorities, we aim to create meaningful change in social and environmental issues, ensuring that our activities offer a more sustainable and fair future for everyone.

In 2023, Çalık Holding acted with this purpose and carried out numerous projects and initiatives.

Through the volunteer project we conduct each year within the Group, we raise awareness about the recycling of electronic waste. As part of Electronic Waste Day, we support the "Don't Throw, Donate" campaign by collecting electronic waste for the Education Volunteers Foundation of Türkiye (TEGV). With this project, contribution is made to ensure that financially limited children receive quality education with the support of TEGV thanks to the scrap value obtained from e-wastes. By implementing this project, we are not only protecting our environment but also supporting education, thereby we are contributing to a better world for future generations.

In 2023, we continued to organize iftar dinners in various cities of Anatolia throughout the month of Ramadan under the theme "We Break Our Fast in Anatolia", just as we have done every year since 2012. The first iftar dinner, took place in Van due to the earthquake, followed by events organized in Şanlıurfa, Erzincan and Erzurum in subsequent years. Our aim with this event is to strengthen our social bonds by coming together and to contribute to the local economy by sourcing all necessary materials for the iftar dinner organization from the host city.

To address the wounds of the devastating earthquake disaster we experienced as a country, we worked in coordination with public institutions and aid organizations in the disaster area. We aimed to meet the needs of the earthquake victims with all our strength.

On the first day of the earthquake, we participated in search and rescue operations with an emergency response team of 54 from our mining companies and 105 from our electricity distribution companies, in coordination with AFAD (Disaster and Emergency Management Authority). Using the software of our Group's energy companies, we activated 47 machines in our pool and dispatched them to the earthquake-affected areas.

To meet the shelter and basic needs of earthquake victims, we sent various sizes of tents, blankets, beds, water, food, hygiene materials, consumables, thermal clothing, heaters and 51 generators of different capacities along with fuel in 200 trucks.

We provided daily hot meals for 5,000 people, along with 24-hour water and tea services in the region. We completed the setup of four mobile kitchens with a total capacity of 4,600 people. Prioritizing permanent housing, we completed the installation of containers to create living spaces for 5,000 people using 1,100 containers. Nearly 200 volunteers from Çalık Group contributed to relief efforts in the earthquake-affected area.

At the same time, the Ahmet Çalık Foundation provided support by making cash donations to aid organizations working in the region, primarily AFAD. Additionally, we donated 20 million TL to the "Türkiye United as One" campaign.
The total value of both in-kind and cash assistance provided by Çalık Holding and its companies reached 200 million TL.

In 2023, we implemented various projects and initiatives under the Ahmet Çalık Foundation:

The Ahmet Çalık Foundation signed a framework protocol with the Ministry of Treasury and Finance and the Turkish Informatics Association to train artificial intelligence specialists as part of the "Certified Artificial Intelligence Specialist Training Competency Program". With this signed protocol, the Ahmet Çalık Foundation aims to support the "Certified Artificial Intelligence Specialist Training Competency Program" in collaboration with the Turkish Informatics Association and Istanbul Commerce University under the Ministry of Treasury and Finance's "One Million Employment Project". This programme, which will be conducted theoretically and practically, will enable 140 young people to acquire digital skills. The training for the program is provided physically at the Istanbul Commerce University's Küçükyalı Campus. Participants receive practical support alongside theoretical knowledge. Participants also benefit from internship, career opportunities and experience sharing as part of the programme.

On June 5, World Environment Day, Ahmet Çalık Foundation, along with volunteer teams, conducted an environmental awareness event in Belgrade Forest. Through a painting activity aimed at highlighting the importance of a liveable world and environmental cleanup efforts, Ahmet Çalık Foundation demonstrated its commitment to a sustainable world.

During Children's Leukaemia Week, volunteers from the Ahmet Çalık Foundation met with our children receiving treatment at Prof. Dr. Cemil Taşçıoğlu Hospital. This special event once again showcased the Ahmet Çalık Foundation's social responsibility mission, emphasizing its ongoing support for future generations and efforts to raise social awareness on this issue. Through such events, the Ahmet Çalık Foundation continues to bring together the values of both society and the company, working towards a stronger and more sensitive future. We believe in the importance of acting together for hopeful tomorrows.

To create equal opportunities in education, we provided scholarship support to 296 young people under the Ahmet Çalık Foundation Scholarship and the Ahmet Çalık Foundation Success Scholarship by the end of the 2022-2023 academic year.

In line with the needs of students at Teknopark Istanbul Vocational and Technical Anatolian High School in Pendik, the Ahmet Çalık Foundation Technology Workshop was established within Cube Incubation. The workshop for our project, which was initiated in December 2022, was completed in 2023. Currently, 120 students benefit from the workshop.

Energy Sector

ÇALIK ENERJi

Çalık Energy has implemented notable projects in 2023 that focused on education and equality. In addition to successfully carrying out various activities, Çalık Energy continues its efforts to promote the development of communities and create multifaceted value by establishing strong relationships with civil society organizations, international institutions, and universities to develop appropriate solutions.

Energetic Schools Social Responsibility Project

- In line with its commitment to education, Çalık Energy launched the third phase of the Energetic Schools Social Responsibility Project in 2023, in collaboration with Mitsubishi Corporation and the Sustainability Steps Association, aimed at increasing young people's awareness of sustainability and energy. In this third phase, Çalık Energy prepared an integrated training program for vocational high school students covering topics such as sustainability, climate change, renewable energy and technology. Over 500 students participated in the program for six months, engaged in various reading activities, watched educational training videos, and played games to reinforce their knowledge. At the end of the project duration, educational support materials such as laptops and smart tablets were distributed to successful students who completed the training program.

1,000 Women in the 100th Year of the Republic Project

- Çalık Energy supports gender equality in the workplace. During the reporting period, it became a value partner of the 1,000 Women in the 100th Year of the Republic Project by collaborating with the Yeniden Biz Association with the aim of empowering women and enhancing the competencies of female employees. As part of this project, mentorship support was provided by experts to prepare women who had to take breaks from their careers for various reasons to re-enter the workforce. Additionally, Çalık Energy published job opportunities within the project portal to help women find jobs that match their education and experience backgrounds and support their return to active work life. 1,000 Women in the 100th Year of the Republic reached its goal by connecting with 1,000 women throughout the year.

YEDAŞ has supported significant social responsibility projects alongside its pioneering activities in the sector. In 2023, YEDAŞ developed projects focused on environmental sustainability, executing two prominent initiatives aimed at the protection of biodiversity and environmental cleanup. Through its working group named Green Trace Volunteers, YEDAŞ strives to enhance its impact with projects that contribute to both humanity and nature.

Project for Installing Special Stork Nests on Electric Poles

- In collaboration with Sinop University, YEDAŞ identified stork migration routes in areas where electricity distribution lines pass to ensure that the stork population breeding in Europe and Türkiye is not affected by electric poles. As part of the project, arsenic-treated wooden poles along migration routes were replaced, and special nests were installed on electric poles for storks to rest. These nests contribute to maintaining a balanced ecosystem.

Energy Team Theater Project

- YEDAŞ launched the Energy Team Theater project to raise awareness about energy efficiency and conscious energy use among students. During Energy Efficiency Week, organized in cooperation with the Samsun Governorate and the Ministry of National Education, YEDAŞ performed the play titled "Energy Team" at 15 primary schools for five days. Through these theater performances in 15 schools, a total of 3,500 students were reached. This initiative helped students to become more aware of electricity conservation, energy efficiency, and sustainability while having an enjoyable time.

Integrating sustainability into all business processes, Aras EDAŞ has a customer, stakeholder, human, and environment-focused, risk-based and innovative business model. Continuing its work on environmental, social, and governance issues, Aras EDAŞ prioritizes energy efficiency, biodiversity conservation, human resource management, and innovative research and development in its operations. Aras EDAŞ has continued its biodiversity conservation activities that it has been conducting since 2017 this year as well.

Keeping Migratory Birds Alive Project

- It is known that 217 bird species live in the service area of Aras EDAŞ. To prevent bird deaths on energy transmission lines, Aras EDAŞ launched the project "Keeping Migratory Birds Alive" in 2017 in the provinces of Kars, Ardahan and Bayburt, which were selected as pilot areas. As part of the project, Aras EDAŞ has isolated the insulator connections and jumps with insulated materials to prevent bird collisions with electric lines. During the reporting period, in all 7 provinces in the service area, the potential danger to birds was eliminated by covering the power transmission lines in certain areas with special insulated wires, and at the same time, power outages that may occur as a result of bird collisions were prevented.

Construction Sector

Operating under the motto "Value for People, Value for the Future," Gap İnşaat is building the world of tomorrow by creating projects that contribute to social welfare. With a focus on sustainability, Gap İnşaat aims to positively impact its stakeholders by supporting projects that can provide social benefits.

Wellbees Challenge

- Gap İnşaat participated in the Wellbees Challenge program, which lasted throughout November and included 75 companies from various regions of the world, working towards the same goal. As one of the 22 companies that completed the challenge, Gap İnşaat supported a child affected by the earthquake by providing all their winter clothing. Additionally, Wellbees donated winter clothing sets, including thermal tops and bottoms, jackets, pants, hats, gloves, scarves, socks and boots to children in earthquake-affected areas on behalf of the 22 companies that completed the challenge.

Finance Sector

BKT Kosovo fulfills its corporate social responsibility through partnerships with various organizations and institutions. As a premium member of the Kosovo CSR Network, BKT Kosovo has organized events on many issues concerning society, such as breast cancer, children with Down syndrome and autism, and blood donation. Supporting a sustainable and inclusive society, BKT Kosovo has continued its efforts in these areas in 2023.

BKT Kosovo and the Kosovo Olympic Committee Sponsorship and Be a Hero Campaign

- The partnership between BKT Kosovo and the Kosovo Olympic Committee exemplifies a shared vision for empowering the youth living in Kosovo through sports. With the extension of the current sponsorship agreement by 10 years, BKT Kosovo has solidified its position as a significant supporter of Kosovar athletes, contributing 3 million euro to the development and promotion of sports. Beyond sponsorship, BKT Kosovo has launched the "Be a Hero" initiative. This joint venture contributes to the notable successes achieved by Kosovo in international sports events and demonstrates the power of collaboration and collective action in facilitating positive change. BKT Kosovo has launched broader initiatives involving all segments of society and it pledges to expand its impact through the "Be a Hero" campaign. The success of this campaign is dedicated to Kosovo sports and the country in general, where 1% of every payment made with the BKT VISA Credit Card at BKT POS terminals is directly transferred to the account of the Kosovo Olympic Committee. These funds are collected to be allocated to athletes representing Kosovo at the 2024 Olympic Games in Paris.

Vrapo Babadimer Humanitarian Mini Marathon

- Actively participating in events like the "Vrapo Babadimer" Humanitarian Mini Marathon, BKT Kosovo's commitment to humanitarian causes goes beyond financial contributions. This event aimed to assist children hospitalized in the Oncology Ward of the Kosovo University Clinical Center and support 250 families in need during the holiday season. Numerous employees from BKT Kosovo's headquarters in Pristina and other branches participated in the marathon to support this important cause. BKT Kosovo emphasized its dedication to making a tangible difference in the lives of those in need by supporting this initiative both financially and through employee participation.

Mining Sector

Lidya Madencilik continues to operate with a sustainability approach for a livable world. Aware of the importance of social and environmental issues in achieving a livable world in the future, Lidya Madencilik fulfills its responsibilities by implementing its initiatives in the regions where it operates.

Educational Assistance in Bigadiç District, Balıkesir Province

- Lidya Madencilik has supported regional education by constructing Bigadiç Vocational School. Additionally, it has supported a book donation campaign organized by the Bigadiç Directorate of National Education, aimed at developing MEB and school libraries with the support of the District Governor's Office.

Forest Enhancement Project

- To increase the forests of our country and develop its green landscape, 300,000 saplings have been planted in Balıkesir with the financial support of Polimetal Madencilik, in line with the afforestation efforts conducted by the General Directorate of Forestry.

Supporting Successful Students Project

- During the 2022-2023 academic year, a project was launched to support successful students, providing scholarship assistance to 14 students in Artvin and 12 students in Bigadiç. This meaningful step aims to empower young talents in their educational journeys and enable them to maximize their potential.

Contribution to the Local Economy

In our world, where business relationships and social networks are increasingly interconnected, companies have the opportunity to contribute dynamically to local communities beyond just generating profit and providing employment. Contributing to the local economy and establishing partnerships can provide numerous benefits to the region, while businesses can gain countless advantages from these collaborations. Working together with local communities offers companies valuable insights, experiences and connections, helping to better understand and address community needs. These advantages foster trust and loyalty, which hold significant value in a competitive market.

At Çalık Holding, guided by our mission, vision, and values, we strive to make every possible contribution to the local economy. We support the local economy to achieve success and engage in activities aligned with our values, thereby earning the trust and loyalty that we prioritize as a Holding. By utilizing local materials and services, we strengthen supply chains in the region and assist in the growth of local businesses. Through this approach, we aim to achieve sustainable development alongside our community by enhancing economic diversity and improving the overall welfare of society. We prioritize activities that will increase employment in the region. In this regard, we make our workforce and supplier selections with this purpose in mind.

9,929 Local Suppliers

We contribute to the local economy with labour force, goods and product services, various projects and applications, and increase the employment of the regions in our sphere of influence. We continued our contribution to the local economy, with 9,929 of our total number of suppliers, which totalled 15,004 in 2023, being local suppliers.

The ratio of local and foreign suppliers in our subsidiaries is as follows:

Local Supplier Ratios in 2023	Ratio
Çalık Enerji	41.39%
YEPAŞ	99.88%
Kosovo Çalık Limak Energy	83.20%
Aras EDAŞ	100%
Aras EPSAŞ	100%
Aktif Bank	96.46%
BKT Albania	82.40%
BKT Kosova	76.12%
Gap İnşaat	72.96%
Çalık Denim	93.73%
Gap Pazarlama	86.05%
Lidya Madencilik	98%

Foreign Supplier Ratios in 2023	Ratio
Çalık Enerji	58.61%
YEPAŞ	0.12%
Kosovo Çalık Limak Energy	16.80%
Aras EDAŞ	0%
Aras EPSAŞ	0%
Aktif Bank	3.54%
BKT Albania	17.60%
BKT Kosova	23.88%
Gap İnşaat	27.04%
Çalık Denim	6.27%
Gap Pazarlama	13.95%
Lidya Madencilik	2%

Mining Sector

Lidya Madencilik aims to contribute at every scale through initiatives that support the local economy, seeking sustainable success alongside its stakeholders. Prioritizing diversity and inclusivity, Lidya Madencilik aims to create an inclusive society through the projects it undertakes.

Support Projects for Public Education Centers

- Lidya Mining has purchased 12 weaving looms for a project initiated by the Bigadiç District Governorate and the Public Education Directorate, aimed at producing traditional woven products (such as bags and prayer rugs) to support household economies and empower women. The project also facilitates the participation of women from nearby villages, helping them generate additional income.

Cooperative Support Project

- Thanks to the support provided in Artvin, two cooperatives have been established and made active. Through the Cooperative Support Project, the aim is for these cooperatives to contribute to the mining sector and achieve sustainable operations. The project not only supports the local economy but also provides significant assistance to the economic development of the region through a solidarity-based business model.

Contribution to the Regions of Operation

Today, the social, environmental and economic contributions that companies make to the geographies in which they operate not only provide economic benefits, but also increase the overall quality of life of the societies in those geographies. It is of great importance for companies to focus on this issue, which is an important element for sustainable development, both as a reflection of corporate responsibility and in terms of supporting social development. Environmental protection projects, social service initiatives, and community development efforts in the regions where companies operate not only create economic value but also provide social value.

As Çalık Holding, we continue our efforts to contribute socially, environmentally, and economically to all the regions where our Group companies operate. Guided by our mission, vision, and values, we strive to work with all our strength for a liveable future. While producing projects that address the needs and issues of the regions within our sphere of influence, we also aim to develop initiatives that can contribute to the advancement of society. As we carry out these efforts, we prioritize being sensitive to the traditions and cultures of the countries in which we operate, adapting to social structures and avoiding elements that may have a negative impact on the social environment.

Mining Sector

Lidya Madencilik aims to provide benefits to society by addressing the issues faced in the various regions where it operates and improving existing conditions through its efforts.

Water Drilling System and Modern Water Reservoir Construction in Hacıömerderesi Village, Bigadiç District, Balıkesir Province

- To solve the water supply problem experienced in Hacıömerderesi Village, especially during the summer months, Lidya Madencilik has constructed a water drilling system and a modern water reservoir, providing a definitive solution for the region.

DIVERSITY AND INCLUSION

As Çalık Holding, we strive to create an inclusive work environment where our employees are respected regardless of their diverse backgrounds and experiences, including religion, language, race, gender, disability, political views, ethnicity and sexual orientation.

In all our Group companies under Çalık Holding and the Çalık Family, we never compromise on discrimination in recruitment, termination, career, promotions, discipline, compensation, social rights, assignments and training processes. We offer equal opportunities to everyone who can best represent the company and shape the future of society without any discrimination. With this understanding, we see providing our employees with an inclusive workplace characterized by a strong sense of belonging, safety, and freedom of expression as our fundamental responsibility.

While offering a fair and inclusive work environment, we emphasize the importance of advocating for this understanding among all our stakeholders. We ensure equal pay for male and female employees in equivalent positions and evaluate our employees' competencies and skills based solely on job descriptions and experience without any discrimination in hiring or promotions.

Increasing female representation within the organization is among our priorities. As of the end of 2023, 38% of Çalık Holding's total workforce consists of women. Additionally, the percentages of female employees in our Group companies for 2023 are presented in the table below.

Female Employees in the Labour Force in 2023	Ratio
Çalık Holding	37.75%
Çalık Enerji	12.25%
YEPAŞ	40.94%
Kosovo Çalık Limak Energy	15.55%
Aras EDAŞ	16.62%
Aras EPSAŞ	39.74%
Aktif Bank	50.23%
BKT Albania	75.24%
BKT Kosova	53.90%
Gap İnşaat	17.26%
Çalık Denim	4.27%
Gap Pazarlama	44.44%
Lidya Madencilik	13.48%

You can find the details of performance indicators in the "**Annexes**" section.

We believe that changing demographics, with new talent joining the workforce every day, are critical to inclusion in our work environment. To this end, we recruit talents that are different from each other and that are special to the generation to which they belong. We follow the distribution of our employees according to their age ranges as under 30, 30-50 and over 50. In 2023, this ratio was calculated as 21%, 63% and 15%, respectively, for our employees within the Çalık Holding.

Age Diversity in 2023	Proportion of employees under 30 years of age	Proportion of employees aged 30-50	Proportion of employees over 50 years of age
Çalık Holding	21.85%	62.91%	15.23%
Çalık Enerji	20.30%	69.87%	9.82%
YEPAŞ	11.11%	85.38%	3.51%
Kosovo Çalık Limak Energy	20.66%	42.15%	37.19%
Aras EDAŞ	30.93%	64.58%	4.50%
Aras EPSAŞ	12.82%	83.33%	3.85%
Aktif Bank	27.30%	70.59%	2.11%
BKT Albania	40.29%	53.43%	6.29%
BKT Kosova	33.85%	64.59%	1.56%
Gap İnşaat	14.66%	71.99%	13.36%
Çalık Denim	20.61%	72.88%	6.51%
Gap Pazarlama	24.07%	62.96%	12.96%
Lidya Madencilik	24.11%	67.02%	8.87%

CUSTOMER FOCUS

A customer-oriented business approach is at the core of our understanding at Çalık Holding, guiding our operations as a principle that we share with all our Group companies for sustainable success. We continue our efforts with a proactive understanding focused on customer satisfaction, responding to our customers' needs and demands in the shortest and most accurate way possible. In line with these efforts, we approach our customers with respect, dignity, fairness, equality, and within the rules of courtesy. Creating value for our customers, increasing their satisfaction, and establishing a long-term trust environment in relationships are among our primary priorities. As all Group companies, we expect our employees and business partners to be sensitive to these matters and to show the necessary diligence.

As a group that acts in accordance with its values, providing high-quality standards along with our innovative understanding and ensuring customer satisfaction is a primary goal for all Group companies. We are always working to improve the quality of the products and services we offer through our Group companies. Additionally, we prioritize understanding our customers' expectations and solving existing problems. Our companies aim to meet the changing customer expectations with a portfolio that aligns with trends, sustainability, innovative products and services, attaching importance to the research and development stages. Following global trends, our Group companies continue their activities to meet the changing expectations of customers with their agile and dynamic business approach.

Our Group companies, which position customer satisfaction at the core of their business understanding, regularly monitor and evaluate customer feedback; they operate with a business system that responds to their needs and demands. Our companies take action based on the feedback received after services are provided, working to resolve existing issues. They prioritize developing all processes in a way that enhances customer satisfaction and producing quick solutions to requests and complaints.

We are pleased to reach more people, generate solutions, and improve our business model with the increasing number of customers each year. In 2023, we achieved a significant increase compared to previous years, reaching over 25 million customers. Thanks to our innovative marketing strategies and customer-focused approach, we will continue to work with determination to sustain this growth in the future.

Energy Sector

Operating with a customer satisfaction and digitalization-focused approach, YEPAŞ aims to meet the needs of all its customers and produce innovative solutions. Through its digitalization initiatives, YEPAŞ continuously enhances the customer experience by reducing customer grievances and providing quick solutions.

IVN Intelligent Outbound Call System Project

- With the "IVN Intelligent Outbound Call System Project", YEPAŞ aims to facilitate a large number of calls quickly and at low cost without the need for an operator. Thanks to the automatic calling feature via IVR, it minimizes personnel requirements for follow-up matters such as payment reminders and debt collection notifications, thereby increasing operational efficiency. With this project, YEPAŞ aims to both reduce costs and improve customer experience by providing faster and more effective service to customers.

Automatic Payment Instruction Customer Communication Kaizen Project

- Through the "Automatic Payment Instruction Customer Communication Kaizen Project", YEPAŞ seeks to inform customers when automatic payment instructions fail to process their bills. By sending SMS notifications to customers who cannot make payments due to insufficient balance or banking system disruptions, it prevents grievances. This project enhances YEPAŞ's service quality by providing quick and proactive communication to increase customer satisfaction.

Maintaining its customer satisfaction oriented activities, YEDAŞ has various applications to listen to customers' demands and produce solutions. YEDAŞ aims to increase its communication with customers and improve its business activities by solving problems quickly and aims to increase customer satisfaction by increasing the channels that customers can reach.

"Şikâyet Var" Platform Membership

- YEDAŞ has evaluated various customer communication channels to reach more customers during the reporting period and has joined the "Şikâyet Var" platform, which is frequently preferred by customers.

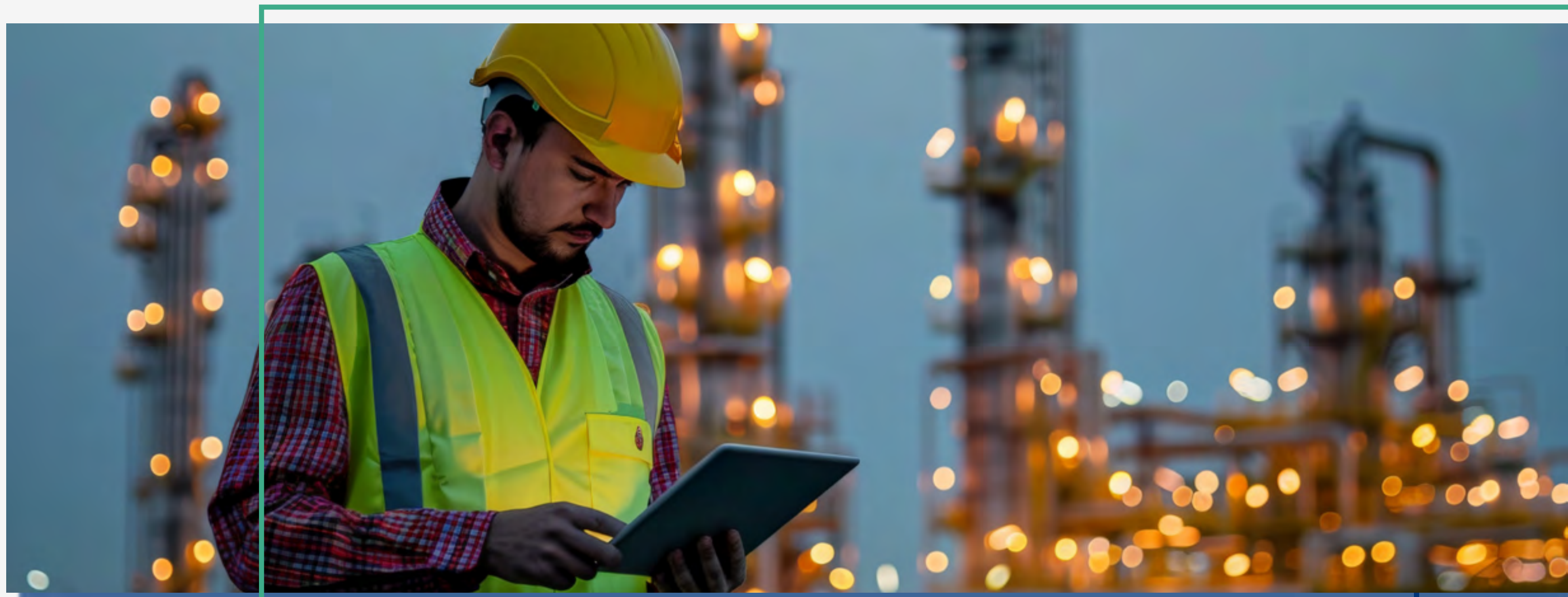
Kosovo Çalık Limak Enerji, prioritizing customer focus, continues its operations to respond to the demands and needs of its customers. The company, which is committed to increasing customer satisfaction, develops projects to meet customer requests with all its employees. In 2023, it continued its efforts in this direction by developing two new applications.

Customer Satisfaction Survey

- At Kosovo Çalık Limak Enerji, KEDS and KESCO designed a three-part customer satisfaction survey during the reporting period to accurately respond to customer needs. To reach more people, the survey was published on the company's website and announced to customers through social media accounts. Through this survey, the company collected feedback, suggestions and expectations from its customers and determined actions to improve their satisfaction.

Ticket System (Support Request) Application

- Kosovo Çalık Limak Enerji gathers customer expectations and requests through the Ticket System application. This application, implemented in collaboration with the Customer Services Department and the Information Technology Department, is integrated into all departments of the company. With this application, every type of complaint/request from customers is categorized into types and subcategories and forwarded directly to the responsible department. This transmission increases the speed of response to customer requests and helps track the time spent on each "ticket". In addition to this application, the Customer Services team provides 24/7 solutions and services to customers via the Call Center.



Customer and Information Security

Ensuring customer and information security is critically important for building and maintaining customer trust. The trust that customers have in the safety of their personal and corporate information, as well as in its secure processing by the company, gives an advantage to companies that adopt high standards in this area. Today, customers, who have become more aware of privacy and security issues, are increasingly inclined to prefer companies that commit to protecting their personal data.

Businesses that respect data privacy and diligently implement security measures reinforce customer trust while also enhancing their reputation. Security vulnerabilities, such as data breaches or misuse of information, not only undermine customer trust but can also lead to loss of reputation, weakened competitive strength, damaged market position and decreased profitability for companies. Nowadays, when choosing business partners, our customers prefer corporate enterprises where cybersecurity is implemented end-to-end.

Together with our Group companies, we process the personal data of our employees, business partners, and customers to the extent permitted by legislation, in order to carry out our activities while ensuring corporate information security. We ensure that the processed data complies with regulations and take all necessary administrative and technical measures to prevent its unauthorized sharing. As Çalık Holding, in order to protect the fundamental rights and freedoms of natural persons whose Personal Data is Processed, including the right to privacy protected by the Constitution, and to ensure the protection and processing of Personal Data of the relevant persons in compliance with the Law on the Protection of Personal Data No. 6698 (KVKK), which was published in the Official Gazette dated 7 April 2016 and numbered 29677, and which determines the obligations of natural and legal persons who Process Personal Data, we have determined the implementation rules and related obligations under the Policy on the Protection and Processing of Personal Data. Within the scope of this policy, we show the necessary sensitivity regarding the protection and processing of the data of each of our stakeholders and we guarantee this with our relevant policy.

If necessary, personal data are transferred between Group companies in accordance with the Law on the Protection of Personal Data No (KVKK). Accordingly, as Çalık Group, within the scope of the obligation to inform, we inform the relevant persons about the processing of personal data through different means.

As a result of our understanding and the policies we implement, we have achieved our target of zero incidents related to customer privacy breaches and customer data losses over the past three years.

In this context:

- We act in accordance with the principles set forth by laws and other legal regulations during the processing of personal data.
- As a requirement of adhering to principles of honesty, we behave transparently during the processing of personal data, providing necessary information and clarification to the relevant individuals.
- We process personal data for legitimate reasons and in connection with our ongoing activities.
- We consider the principle of proportionality during the processing of personal data.
- We retain personal data for the duration necessary as stipulated by relevant legislation or required for the purposes for which it is processed.

To continue our operations without experiencing issues related to information security, we hold ISO 27001 Information Security Management System Certifications in the following Group companies:

Quality and Management Systems	
Name of the Standard	**Companies**
ISO 27001 Information Security Management System	Çalık Enerji
ISO 27001 Information Security Management System	Gap İnşaat
ISO 27001 Information Security Management System	Çalık Denim
ISO 27001 Information Security Management System	Gap Pazarlama
ISO 27001 Information Security Management System	YEPAŞ
ISO 27001 Information Security Management System	YEDAŞ
ISO 27001 Information Security Management System	CLK Worldwide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ÇALIK HOLDiNG

DIGITAL TRANSFORMATION AND INNOVATION

Digital transformation and innovation continue to be trends that should be emphasized in our age, and that should inevitably be included in companies' agenda. Published by the World Economic Forum at certain intervals, the "The Future of Jobs Report[1]" for 2023 comes to the forefront as an extensive study that analyses the effects of factors such as technological advancements, digital transformation, artificial intelligence and sustainability on labour force as well as current situations and future trends of global labour markets. According to the report, half of the existing jobs will go through significant change in the next 5 years, while millions of new jobs are expected to emerge due to technological advancements and actions taken for sustainability. We aim to make a difference in our sector and take advantage of technological advancements in a positive way with the awareness that people, companies and societies should rapidly keep up with this transformation. We centre our business model on novelty and innovation. We manage our solutions and business models by adjusting to the conditions of the era. In 2023, we established important projects with the efforts of our R&D and innovation department consisting of 35 people.

Digitalization practices come to the forefront in the Çalık Holding's human resources processes. Within this scope, we started to manage all human resources processes including recruitment procedures, promotions, rotations and talent management from a single platform through "Success Factors" and 360-Degree Evaluation in order to make all relevant processes digital and measurable. With artificial intelligence tools such as Çalık AI and ChatGPT, we helped our employees in the orientation process by training chatbots on confidentiality of shared information, company procedure and answers to relevant questions. We supported the companies such as Polimetal, which previously did not use ERP, for digitalization and management of all accounting and human resources processes (e.g. corporate resource planning, purchasing, supply, logistics, invoice, finance and budget management) via a single platform by applying SAP ERP solutions from scratch. We saved time in Çalık Holding's Human Resources processes and managed them effectively and productively thanks to the innovation projects. We enabled the same optimization and process improvement for Çalık Holding through the innovative solution in the ERP system, and integrated the Holding's holistic view into all companies.

1. *Future of Jobs Report 2023*

Energy Sector

ÇALIK ENERJi

In 2023, Çalık Enerji established the **Energy Conversion and Digital Transformation Directorate** to reinforce its determination in digital transformation. It carries out continuous improvements to develop the processes in its R&D and innovation ecosystems.

Efforts to expand Workindo's areas of activity

- In 2023, Workindo continued the growth and expansion process of its subsidiaries as well as works on new projects to serve for digitalization of the construction sector. It signed memorandums of understanding with different companies to develop joint projects in the field of energy conversion.

yedaş Yeşilırmak Elektrik Dağıtım A.Ş.

YEDAŞ works on a project management system that can be made available to all electricity distribution companies. It continues to realize several novelties with the innovation and R&D projects it focuses on.

Utilities R&D Project

- A structure consisting of five main modules (Addressee, Connection and Usage, Meter Operations, Accrual/Billing and Collection) is planned within the scope of Domestic Software Ecosystem for software to be developed domestically with most up-to-date technologies and an innovative approach, which meets the requirements of national regulations and legislations in electricity and natural gas sectors.

R&D Project for A Domestically-developed Device to Detect Cable Faults with Low Frequency Method

- The VLF device to be developed with domestic and national facilities will detect cable faults more quickly, and increase customer satisfaction through improvements in energy supply. This device will minimize the troubleshooting period with precise and reliable results in the detection of cable faults, especially in underground cables. It will enable measurements through low-frequency cable testing, without any damage to the cable. The device developed with domestic production technologies will reduce dependency on imported devices as a financial advantage. Its portable and easy-to-use design will accelerate fault detection and maintenance processes in the field.

AI-Supported Overall Transformer Efficiency and Analysis Platform (TRAFORM 2nd Phase)

- Upon successful completion of 1st Phase Traform , an R&D project has been carried out for the 2nd phase of AI-Supported Overall Transformer Efficiency and Analysis Platform (TRAFORM 2nd Phase) in order to ensure availability of the information to different departments within EDAŞ as well as continuity of flow of information among departments.

Energy Sector

YEPAŞ continues to reinforce its position in the sector with innovative projects that prioritize user experience. With the target of reducing paper consumption and carbon emission, it carries out its activities in digital media and takes pioneering steps in this direction. It also resolutely continues its efforts to set long-term goals and develop international strategic cooperations as a member of the Energy Digitalization Association.

Corporate Website Renewal and Mobile Application Project

- YEPAŞ redesigned its corporate website in line with digital trends, corporate needs and user experience. Developed with a modern Content Management System (CMS) infrastructure, the website has a functional management panel compatible with mobile devices. It is user-friendly to ensure that users can access the information they want with the least clicks. Moreover, the Mobile Application Project was launched in parallel to improve customer experience. The mobile application developed as part of the project stands out with its user-friendly interface and enriched visual design. Prepared in line with current trends and sectoral needs, the application aims to offer an aesthetic and innovative experience compatible with the mobile world.

Tender Monitoring Operation Process Project

- YEPAŞ integrated kWh consumptions and progress billing of tendered organizations into its K2 portfolio to monitor them more effectively. As part of this project, possible disputes between the company and relevant organizations are prevented by sending notices when consumptions reach 80% and 100%. Thus, a process that monitors contract percentages and manages progress billing systematically was developed.

Data Center Relocation Project

- Virtual servers that were initially in Samsun were relocated to Gebze Turkcell Data Center under Çalık Holding to ensure the security and continuity of critical systems.

Finance Sector

BANKA KOMBETARE TREGTARE

BKT Albania develops innovative and solution-oriented signature projects, which have made banking transactions user friendly and easy to track.

System Observability Project

- With the System Observability Project, BKT Albania aims to increase the observability of banking systems by collecting data and metrics systematically and monitoring them in real time. It focuses on ensuring comprehensive visibility of the system performance and health across all channels.

Smart ATM

- BKT Albania's Smart ATM (BKT) Project aims for deployment of advanced ATMs with various features such as contactless transactions, mobile top-up, bill payments and multilingual support. Therefore, customers are offered innovations such as advanced accessibility, ease of use, increased number of transactions, reduced processing time and improved security.

e-Money

- Providing greater convenience for customers with innovative payment solutions, e-Money digital wallet service aims to generalize digital payments and strengthening customer loyalty. It allows customers to carry out secure and easy electronic payments and money transfers directly from their mobile devices, and is integrated into existing banking services without any problem. It supports various payment methods including QR code payments and peer-to-peer transfers.

"I Have An Idea" Project

- BKT Albania developed a system combining logs and metrics from all channels (including mobile, web and ATM interfaces) in a single and compatible platform. This platform allows all employees to give their ideas on existing and future products, processes, new features, digital channels, or valuable opinions for the bank. After an idea is given, the authorized bank structures analyze the idea and decide whether it will be implemented or not. Contributing to continuous improvement of the Bank's products and processes, the platform encourages all employees to give as many ideas as possible. The employees' voice that is heard through the ideas is an integral part of ongoing development.

BKT SMART Mobile Application Development

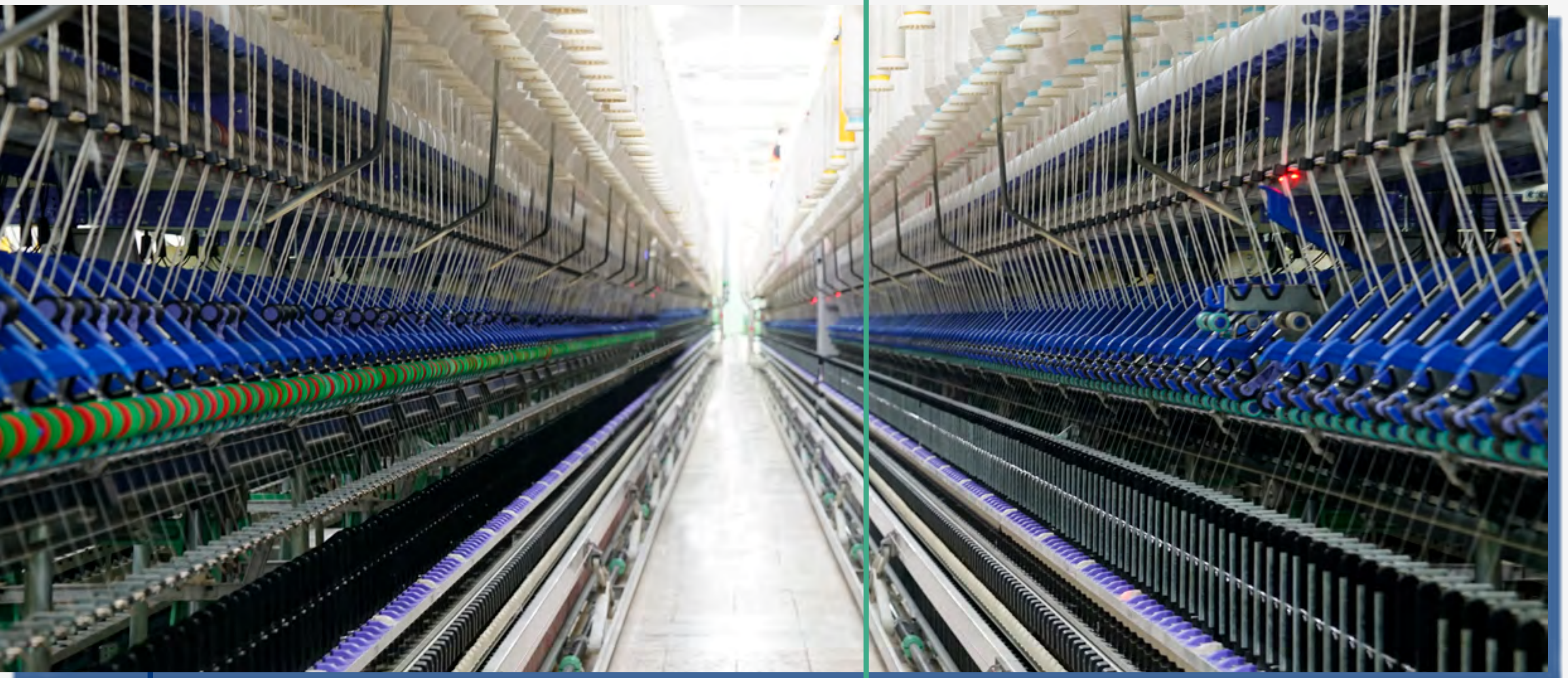
- BKT Albania renewed its mobile banking application BKT SMART with the newest user interface and experience design principles, by integrating AI-oriented personal financial management tools and improving security features. Therefore, user interactions increased, higher application reviews were obtained, and the number of active users showed a significant increase.

Finance Sector

BKT Kosovo focuses on processes that boost the efficiency of bank processes and automates tasks which previously required human interference.

Business Engineering Project

- In order to make banking processes more productive, BKT Kosovo offers a technology that uses software robots automating repetitive and rule-based tasks in business processes with the Robotic Process Automation (RPA). These robots are used to extract, verify and process data as part of banking functions. Most importantly, these robots are used to integrate data into existing IT systems and databases, and to seamlessly exchange information between different platforms, enabling easy automation of tasks which previously required human interference. Therefore, any possibility of human errors are minimized, and overall efficiency and precision of operations are increased.



Textile Sector

Çalık Denim aims to offer its stakeholders and customers innovative, sustainable, practical and advantageous solutions brought by the technological developments of the age. Çalık Denim internalizes the "Ever Evolving" motto, and centers its corporate strategies on innovation.

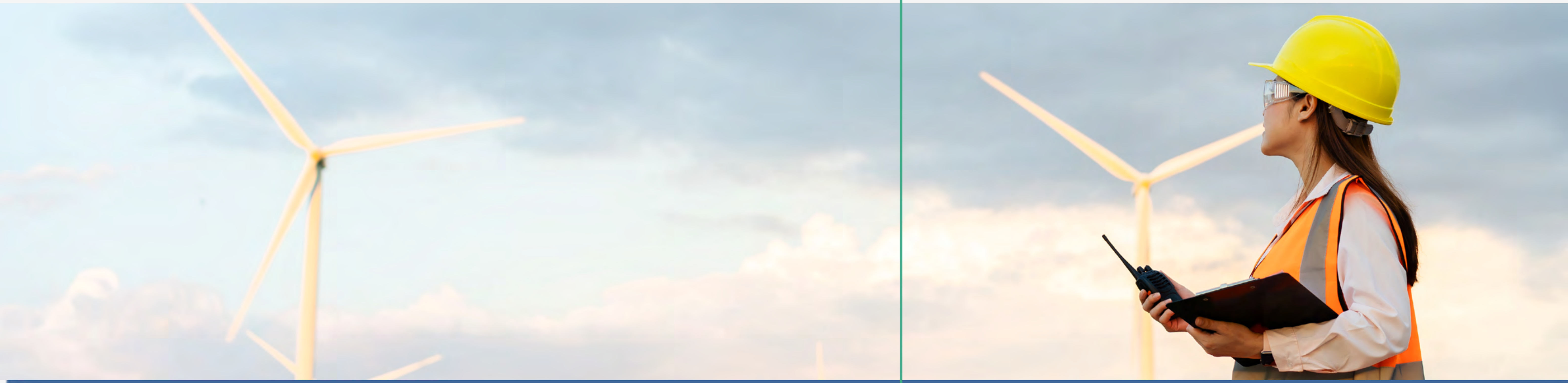
Çalık Denim Mobile Application

- Launched by Çalık Denim in 2019 for the first time, the mobile application contains global trends in the denim world along with many features. With its filtering feature, it allows Çalık Denim fabrics to be sorted according to colour, elasticity, weight, structure and coatings, and this information can be accessed through videos and photos. The mobile application has been developed with innovations throughout the years, and active content management also continued in 2023, providing business partners with news from the world of denim and fashion, informative sectoral content as well as rich content such as Çalık Denim's latest innovations and fabric families that can be accessed with a single click. Çalık Denim mobile application took another step towards digitalization and introduced the "New Technologies and Innovations" tab. This tab allows users to access technology and innovation information related to digital production, which is increasing especially during the Covid-19 process, with a single click.

Corporate Memory

- This project aims to store and retain all certificates and documents owned by Çalık Denim in an accessible and reusable manner, and to ensure continuity of accessible information and documentation. This project also comprises the processing or archiving all company documents in the business flow as needed.

SUSTAINABLE PROFITABILITY



2023 has been a year marked by significant economic, political, and social events worldwide. While global inflation, fluctuations in energy prices, and supply chain issues have been the central issues, the volatility of exchange rates in our country has continued to impact various sectors. Following the consequences of the COVID-19 pandemic, the devastating earthquake in Kahramanmaraş in February 2023 deeply shook our nation and brought about economically disruptive developments. Amid these events, it has become more crucial than ever for companies to maintain sustainable profitability.

As Çalık Holding, we are aware of the importance of financial sustainability for our organization. To continue our operational efficiency and stable growth, we included sustainable profitability in our prioritized topics in 2023.

We operate in 5 sectors in over 30 countries. Our diversified portfolio serves as a shield against developments in different markets and sectors and allows us to achieve a stable growth extending to years. Our ongoing EPC activities in several countries in Asia, Middle East, Africa and Eastern Europe were not affected by geopolitical tensions that left their mark on 2023. In addition, we reached a backlog amount of 6.3 billion USD in two EPC companies with the effect of new projects, and closed the year with a revenue of 72.5 billion TL and real operating profit of 14.3 billion TL.

Our companies continued to grow successfully as part of a Group that manages active fields in 10 countries in Asia, Middle East, Africa and Eastern Europe. In the electricity distribution and retail field of operation, we remained as one of the companies that manages Türkiye's best and most reliable electricity distribution and retail line of business with our brands YEDAŞ and YEPAŞ. Our return on shareholders' equity was 56.37% for Aktif Bank and 23.3% for BKT Albania and these rates remained above market averages.

In 2023, we increased the Holding's consolidated revenue by 69% and real operating profit by 43% compared to the previous year. We reduced the debts of our subsidiaries in real sector and increased our cash assets in this period, thanks to our ability to generate operational cash and share sales in our mining company. We improved our leverage and liquidity ratios.

We will continue to realize our targets for the future by focusing on our sustainable profitability strategy. In this respect, we are excited to achieve growth by investing in new areas and opportunities in all domestic and overseas operations.

Economic Performance

In the World Economic Forum's Global Risks Report 2024[2],the risks of "economic downturn", "lack of economic opportunity" and "inflation" are among the top 10 short-term threats. The report, which is updated every year, anticipates that economic risks continue to be among the top 10 risks within 2 years in terms of possible impact size. These outputs reveal the importance of integrating corporate strategies for improving economic performance into business processes for operational efficiency and financial sustainability.

The high interest environment throughout the world affected both domestic and foreign markets negatively. However, we managed the impacts of this inflationist environment by diversifying our areas of activity and developing efficient portfolio management strategies. Thanks to our strategic investments, innovative projects and strong financial management, we increased our profitability even in challenging economic conditions and took firm steps towards sustainable success.

We created a resistant business model against global economic fluctuations in order to carry our economic performance forward at all times. In this respect, we increase our sectoral diversity in consideration of not only financial growth but also our social and environmental responsibilities. We produce innovative and sustainable solutions by analysing challenges and opportunities together, and ensure that these strategies are implemented in all lines of business we operate in.

Economic Indicators (million TL)	2021	2022	2023
Consolidated Income	19,931	42,724	72,406
Gross Profit	6,833	14,227	22,529
Total Asset	139,511	211,154	369,489
Financial Liabilities	27,585	33,156	44,378
Total Shareholders' Equity	26,476	46,120	90,118

2. The Global Risks Report 2024 19th Edition

Responsible Investments and Innovative Business Models

In line with our approach of making responsible investments and developing innovative business models, we focus on projects for reducing our Environmental, Social and Corporate Governance (ESG) in all Group companies. With this perspective, we aim to increase the number and strength of projects in the fields of energy efficiency, energy saving, waste management, emission management, digital transformation and innovation. We attach utmost importance to social responsibility and governance in our investments and business manners. Providing social benefit, diversifying the work force, respecting employees' rights and supporting ethical practices are the keystones of our sustainability in all aspects.

Our investments in innovative and sustainable business models not only improve our financial performance but also protect the environment, add value to the society and increase governance standards with ethical business practices. With this understanding, we continue to create value by fulfilling our environmental, social and governance-related responsibilities, which increase every passing day, in each step of our operations and each step we take with all Group companies.

As of 2023, we focus on our sustainable success targets by adapting to the present and to the future dynamics in the rapidly changing world, and are proud of our progress based on the same understanding with companies in different areas of activity.

Energy Sector

ÇALIK ENERJİ

Çalık Enerji closely follows opportunities for renewable energy resources such as hydroelectricity, wind power and solar power for a future free from fossil fuels. In addition to renewable energy investments, it cares about cooperating with strong organizations and supporting start-ups for green energy generation and supply.

Starfire Energy

- Çalık Enerji continued to support start-ups during the reporting period, and invested in Starfire Energy, which focused on solar power in its first years and has been developing patented technologies on ammonia synthesis and usage for the last 6 years. Starfire Energy gives support to farmers via ammonia fertilizer production. It supports distributed fuel synthesis and energy generation to balance utility networks such as electricity, water and natural gas, and serves to centralized and large-scaled ammonia production facilities to be used for fuel and exports.

Textile Sector

ÇALIK DENIM

As a result of increasing interest in sustainability and rising consumer awareness, Çalık Denim undertakes enterprises to offer sustainable solutions in its production lines. It aims to develop sustainability-oriented innovative products through design projects.

Research on Thread and Fabric Performance of A High-Performance Natural Vegan Fiber

- With this project, Çalık Denim aims to see the potential of textile products made up of eco-friendly materials on sustainable denim fabric, and to conduct a detailed research on physical and mechanical characteristics of threads and fabrics produced by using pineapple leaf fiber.

- According to the test design, threads were produced by mixing pineapple leaf fiber with fibers such as cotton and tencel in appropriate mixture ratios. Characteristics such as quality, strength, elasticity, unevenness and hairiness of the threads produced were tested and evaluated with standard test methods. Production parameters were determined based on thread characteristics, and the production process was optimized for various fabric thicknesses.

Finance Sector

BKT BANKA KOMBETARE TREGTARE

In 2023, BKT Kosovo contributed to the increase of green finance activities by implementing Eco-credits for energy efficiency measures. The main purposes of the credit intended for individual customers are to invest in energy efficient home appliances, houses or flats, and to support businesses for environmental protection and energy saving.

GROW (Green Recovery and Opportunity Window)

- BKT Kosovo provided training and technical help to businesses that wish to invest in renewable energy and energy efficiency in cooperation with KCGF (Kosovo Credit Guarantee Fund) and GROW (Green Recovery and Opportunity Window) project. The Bank currently cooperates with GGF Fund that focuses on facilitating investments in renewable energy, energy efficiency and resource efficiency projects.

Cooperation with Green for Growth Fund (GGF) and European Fund for Southeast Europe (EFSE) for environmental and socio-economic impact

- Finance in Motion has been a business partner of BKT Kosovo since 2013, supporting the development of Kosovan economy by offering special funds micro, small and medium-scale enterprises in agriculture, production and service sectors. In 2019, the Bank initiated a partnership with GGF, focusing on the facilitation of investments in renewable energy, energy efficiency and resource efficiency projects.
- As part of the valuable partnership with GGF and EFSE, the Bank received technical assistance and support from Development Facilitation (DF) and Technical Assistance Facilitation (TAF) of the relevant funds. Thanks to these technical assistance projects, the Bank conducted successful works on:
    - Developing and promoting green products,
    - Improving internal environmental and social risk assessment practices,
    - Increasing the Bank personnel's skills on green finance and environmental and social risk assessments.

Green Deposit

- The Bank introduced Green Deposit, a groundbreaking initiative it started in December 2023 to contribute to sustainable financing in Kosovo as part of its determination on sustainability. In addition to underlining BKT's commitment to environmental responsibility, this innovative product is the first of its kind in Kosovan financing market. The basic distinguishing feature of this financial product is that it allows customers to deposit their advance savings amounts in various eco-friendly products. Moreover, customers applying for the green deposit not only secure their savings but also access advanced deposit opportunities offered with considerably competitive interest rates.

RESPONSIBLE SUPPLY CHAIN

Geopolitical and socioeconomic changes on global scale create the need for organizations to give resistance to their supply chain management. Strengthening this resistance requires prioritization of sustainable practices and adoption of a responsible management approach.

We generalize this approach throughout our value chain to manage direct and indirect impacts of our activities and to create value in our focus areas. We operate in different sectors such as energy, finance, construction, textile and mining under the roof of Çalık Group. Our large spectrum of production and service capacities allows us to develop responsible practices in our supply chain processes.

We attach great importance to compliance with ethical values and applicable laws in all activities across Çalık Group. Accordingly, the **"Supply Chain and Compliance Policy"** is an integral part of the **"Code of Ethics"**, which constitutes the basis of all business relations and actions. We expect all suppliers and business partners to act responsibly and in compliance with laws, protect and act responsibly for the environment, and respect workers' rights.

As Çalık Group, we work with suppliers and business partners that take the principles of "UN Universal Declaration of Human Rights", "UN Guiding Principles on Business and Human Rights", "International Labour Organization (ILO) Fundamental Conventions" and "ILO Declaration on Fundamental Principles and Rights at Work" as references.

Selection criteria for our suppliers and business partners include technical competencies, product and service quality, pricing, corporate reputation and financial solidity. Compliance with legal legislations and principles on human rights, environment, health, safety and ethics is also extremely important.

As Çalık Holding, we display great sensitivity for collecting, processing, sharing and storing of our suppliers' personal data in compliance with relevant laws. We process personal data in electronic and physical media in connection with and limited to the processes of implementing our policies and procedures and fulfilling our legal obligations as per our **"Briefing Document on Protection and Processing of Personal Data Belonging to Authorized Persons and Employees of Business Partners & Suppliers".**

15,004 Suppliers in Total

We adopt an integrated approach by taking not only operational excellence but also environmental and social responsibilities into consideration at every stage of our supply chain. We manage our processes with suppliers in a rapid, reliable, trackable and measurable manner. We conduct supplier evaluation and purchasing processes through Çalık Supplier portal named **"Supplier Bid Portal (SRM)".** In addition, we use the **"Supplier Life Cycle (SLC)"** module to increase trackability of supplier processes and manage the supply chain efficiently.

We evaluate our suppliers twice a year according to certain parameters. Environment- and sustainability-related activities of our suppliers are also among the criteria of the evaluation survey. We share **"Corrective, Preventive and Improvement Action Request Forms (DÖİF)"** with suppliers who fail to obtain sufficient results in the evaluation survey, we request them to improve their weaknesses, and closely follow the process.

We organize sustainable purchasing trainings and seminars to our purchasing employees to help them understand the integration of environmental topics into the procurement processes. In 2023, we assessed the digitalization and sustainability agenda in the **"Purchasing Group Meeting"** event covering all Group companies. We also participated in Siemens' zero carbon footprint seminar.

	Local Supplier Ratio	Foreign Supplier Ratio
Supplier Ratio	66.18%	33.82%

Suppliers	2021	2022	2023
Total number of suppliers	6,634	14,036	15,004
Number of local suppliers	5,878	12,513	9,929
Number of foreign suppliers	756	1,523	5,075
Number of new suppliers	540	1,530	2,259

FOR A BETTER ENVIRONMENT

ADAPTATION TO CLIMATE CHANGE

The World Economic Forum's Global Risks Report[3], which has been published regularly for 17 years, warns about global risks. The risks of "climate action failure" and "extreme weather events" are among the long-term threats to the world and human life in the next decade according to the 2023 report. Revealing the most current findings and critical measures about global climate change, the 6th Assessment Report of Intergovernmental Panel on Climate Change (IPCC)[4], clearly emphasizes that human activities have been the main driver of the rapidly increasing impacts of climate change, and that global collaboration and financing are inevitable.

The 28th Conference of the Parties (COP28), which has the targets set forth in Paris Climate Agreement to fight climate change, was held in Dubai in 2023, revealed the insufficiency of current efforts to reduce global greenhouse gas emissions by 45% until 2030 and keep global warming limited to 1.5°C. It was underlined that governments and companies should make more important undertakings to achieve these targets. The Conference featured more comprehensive energy targets compared to previous years. 132 countries undertook to increase their renewable energy capacity and energy efficiency until 2030. According to the International Energy Agency's[5] Net Zero target, it is compulsory to increase annual progress from 2% on average to over 4% until 2030. This situation once again highlights the urgency of combating the climate crisis.

Ahmet Çalık, Chairman of the Holding Board of Directors, participated in the 28th UN Climate Change Conference (COP) in Dubai, and got in touch with sector leaders about possible collaborations and exchange of ideas for a sustainable future.

As Çalık Holding, we shape our business and sustainability strategies in line with the global market developments and climate change. We attach importance to the environment, and are aware that important tasks fall upon everyone to leave a liveable world to future generations. We assess risks and impacts arising from climate change while taking possible opportunity areas into consideration. We handle Adaptation to Climate Change, which is among our priority topics in 2023, together with emission management, energy management and renewable energy investments.

3. Climate Change 2023 Synthesis Report
4. COP28: Tracking the Energy Outcomes
5. The Global Risks Report 2023 18th Edition

Emission Management

According to the World Meteorological Organization's (WMO) 2023 "State of the Global Climate"[6] report, 2023 was the warmest year on record, with the global average temperature increase at 1.45 °C above the pre-industrial baseline. The report states that sea level and ocean temperature reaching record high as well as occurring droughts, floods and heat waves negatively affect millions of people in large parts of the world, also causing significant economic losses. Outputs about the global climate crisis once more highlight the urgency of integrating sustainability activities into corporate strategies.

Türkiye has shown its determination in the fight against climate change by becoming a party to Paris Climate Agreement in 2021 and identifying its Net Zero emission target for 2053. After ratification of Paris Climate Agreement, studies have started for updating the Nationally Determined Contribution (NDC) in cooperation with the United Nations Development Programme and preparing Climate Change Mitigation Strategy and Action Plan and 2053 Long-Term Climate Change Strategy.

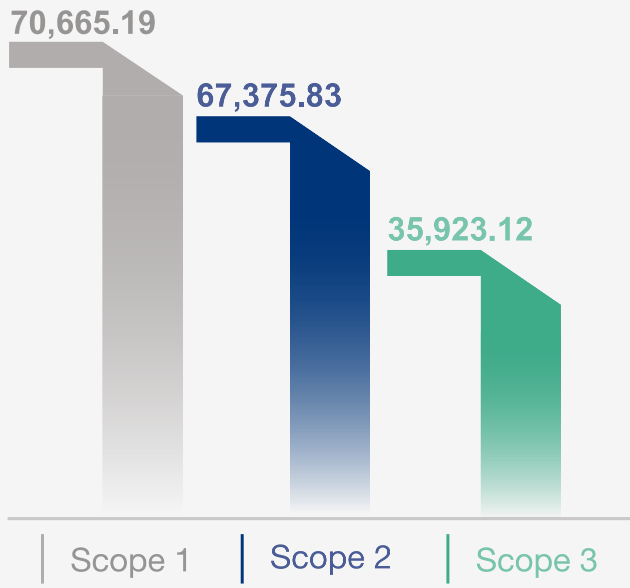
As Çalık Holding, we contribute to our country's development plan with low emission and climate resilience in the sectors we operate. We work with all our strength to reduce emissions in the Çalık Holding and Group companies, and try to improve the fuel consumption of our vehicle fleet.
We prioritize collective shipment by rail or sea in the sectors we operate as part of our optimization efforts. When conditions require shipment by land, we follow an efficient and productive road map in logistics processes by tracking the truckload rates.

The most important practices we established for reducing carbon emissions include measurement and publication of scope 1, scope 2 and scope 3 emissions as per the Greenhouse Gas Protocol (GHG Protocol). We not only comply with the applicable environmental legislation but also evaluate measurement results and analyse actions to be taken.

You can find the details of performance indicators in the "Annexes" section.

Our Scope 1 emissions refer to direct greenhouse gas emissions. Our Scope 2 emissions refer to indirect greenhouse gas emissions arising from the energy purchased, while our Scope 3 emissions refer to indirect greenhouse gas emissions arising from products and services purchased. We transparently share Scope 1, Scope 2 and Scope 3 emissions calculated across the Çalık Holding and Group companies in 2023.

Greenhouse Gas Emissions (tCO_2e)



Greenhouse Gas Emissions	Unit	2021	2022	2023
Scope 1	tCO_2e	55,704.91	64,134.90	70,665.19
Scope 2 (Location-Based)	tCO_2e	43,760.08	44,859.81	67,375.83
Scope 3	tCO_2e	30,971.54	32,203.94	35,923.12

6. *State of the Global Climate 2023*

Energy Sector

Çalık Enerji has been calculating its carbon footprint since 2020 to identify actions for measuring and reducing its environmental impact. It closely follows carbon processes in renewable energy investments, and works towards the Gold Standard certification. Çalık Energy contributes to reducing emissions of 149,300 tCO_2e in Demircili Wind Power Plant per year and 114,556 tCO_2e in Sarpıncık Wind Power Plant, totaling to 263,886 tCO_2e every year.

SNC – Senegal and Bazyan Combined Cycle Power Plant EPC Undertaking Operations

- During the reporting period, SNC – Senegal and Bazyan Combined Cycle Power Plant EPC Undertaking Operations were included in carbon footprint calculations and increased the number of reported locations to 15.

Kosovo Çalık Limak Energy endeavors to reduce carbon emissions as part of the fight against climate change.

Electric Vehicle Charging Station Installation Project

- Kosovo Çalık Limak Energy started to use electric vehicles with less consumption instead of the company's vehicle fleet in order to reduce current carbon emissions as part of the fight against climate change. 15 vehicles were replaced with electric vehicles in the project, with the aim of reducing transportation-related emissions. In addition, the electric vehicle charging station installation project was launched to prepare a suitable and accessible charging infrastructure for electric vehicles in Kosovo Çalık Limak Energy facilities.

During the reporting period, Aras EDAŞ focused on completing natural gas transition of buildings in its service area based on the suitability of their infrastructure in order to ensure energy efficiency and prevent emissions from solid-fueled boilers. As a result of this transition the buildings started to meet their heating and hot water needs with natural gas, which is more efficient than solid fuel (coal).

Transportation-related Carbon Footprint Reduction Project

- Aras EDAŞ added electric vehicles in its fleet to reduce transportation-related emissions. In addition, it adopts carpooling policy for employees who take business trips on similar routes as part of travel optimization practices, and implements speed restrictions that optimize fuel consumption of vehicles.

Textile Sector

ÇALIK DENIM

Çalık Denim acts with the principle of sustainable production. With this perspective, it continues to add products manufactured by reducing carbon emissions and using renewable energy into its raw material portfolio. It carries out successful projects and makes remarkable observations in cooperation with universities.

Carbon-zero Tencel™ Lyocell

- Çalık Denim contributes to the mitigation of the climate impact by adding zero-carbon Tencel™ fiber to its raw material portfolio. Under the true Carbon Zero concept, Tencel™ has elevated fiber offerings to a new dimension of sustainability with zero-carbon Tencel™ fiber, which is produced by reducing carbon emissions and using renewable energy. The fiber holds the CarbonNeutral® certification.

Regenerative Cotton

- Çalık Denim uses regenerative cotton in line with the principle of sustainable production based on Regenerative Agriculture. Regenerative Agriculture, a concept related to practices that support soil health and restore organic carbon in the soil, aims to improve the health of the soil that has been deprived of nutrients in long years of traditional agricultural activities and can be beneficial in restoring the microbiological structure of the soil. Within the scope of practices in this area, reducing the frequency of tillage (reducing tillage) or completely eliminating tillage (no-till farming) are preferred. Additionally, plants that serve as cover crops can be planted to suppress weeds and enhance carbon retention, thereby providing natural fertilizers and protective layers. These practices significantly reduce water usage and labor costs; less tilling leads to decreased equipment use (both in quantity and frequency) and lowers carbon emissions that are released during production.

Energy Management

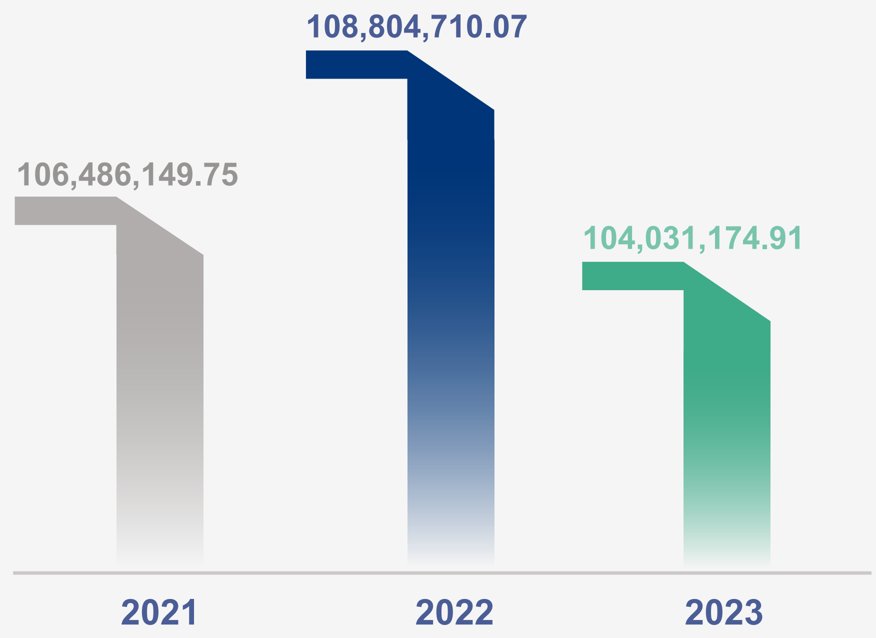
It is critical for companies to follow energy efficiency and saving projects to reinforce their fight against climate change in global markets, where several regulations, efficiency metrics and commitments are in place. As energy efficiency gains importance day by day, we systematically monitor and effectively control energy consumption in the Çalık Holding and Group companies. We aim to implement reduction strategies accordingly. We save on energy and cost thanks to the energy saving projects implement by our Group companies. We continue works that support energy efficiency in all operational processes.

In order to contribute to energy efficiency, we use sensor lighting and doors in our Company building. By informing our employees on energy efficiency, we encourage them for practices contributing to energy efficiency in their personal life.

You can find the details of performance indicators in the "Annexes" section.

Metrics	Unit	2021	2022	2023
Electricity	kWh	106,486,149.75	108,804,710.07	104,031,174.91
Fuel Oil	lt	1,277,497.71	1,259,734.69	1,564,962.31
Diesel (Forklift + Generator + Heating)	lt	645,985.70	3,114,455.82	5,273,758.57

Electricity Consumption (kWh)



Energy Sector

YEPAŞ focuses on saving projects for energy efficiency, and develops strategies to reduce current energy expenditure, thus documenting to have environmentally-conscious energy resources with a responsible perspective.

YEK-G Renewable Energy Resource Certificates

- As one of the first authorized supply companies to start using green tariff in its region consisting of Samsun, Amasya, Çorum, Ordu and Sinop provinces, YEPAŞ aims to achieve its sustainability goals by acting in accordance with its vision and values. Electricity suppliers can easily confirm the resources of energy they distribute to their customers with Renewable Energy Certificates proving that YEPAŞ obtains electricity consumed from renewable energy resources; therefore, customers can document having more environmentally-conscious energy resources. As one of the first companies to start using renewable energy supply contracts (YETA), YEPAŞ realized a new project to create and raise a similar awareness for its employees. In this respect, YEPAŞ gifted its employees YEK-G Renewable Energy Resource Certificates, based on their electricity consumption for 2023, from Türkiye's first and only national renewable energy certificate market operated by EPİAŞ.

YEDAŞ creates projects within the scope of energy efficiency. It obtains maximum efficiency with projects that are generally carried out to prevent technical losses.

New Generation Dual Active Core Transformer Project

- YEDAŞ launched the New Generation Dual Active Core Transformer Project to prevent technical losses while increasing energy efficiency in transformers. A transformer with two separate cores was manufactured within a single transformer tank within the scope of this project. Developed with domestic and national facilities, this transformer ensures maximum efficiency by operating with single or double core upon request. The number of transformer cores is determined by the automation system in the distribution panel, and energy efficiency is obtained by changing the number of active cores in case of different loads.

Kosovo Çalık Limak Energy has focused on energy efficiency projects as part of energy management. It has reduced both environmental impacts and expenses by saving energy.

Energy Saving Efforts

- During the reporting period, Kosovo Çalık Limak Energy replaced the lighting systems in its Head Office building with energy-saving alternatives. It reduced both electricity expenses and environmental impact with this project, and It switched to a more eco-friendly alternative in lighting systems as a provision for expenses.

Finance Sector

BKT Kosovo acknowledges the importance of sustainable energy management and decarbonization for general environmental welfare. For this reason, the Bank carried out relevant activities to enable efficient energy management and reduce excess electricity and heat consumption in its facilities and branches, and took proactive steps to fulfill these needs.

POS Campaign

- In order to highlight the importance of energy efficiency, BKT Kosova organized the POS Campaign, which focused on evaluating the point of sale (POS) efficiency of bank customers. The campaign continued through 2023 with the aim of underlining the importance of energy saving and raising awareness. With the POS Campaign, 43,584 customers who made shopping via BKT Kosovo POS devices between July-December 2023 were eligible for sweepstakes, and 18 presents such as eco-friendly vehicles, eco-friendly electric scooter and electric bicycle were given to the winners of the POS campaign.

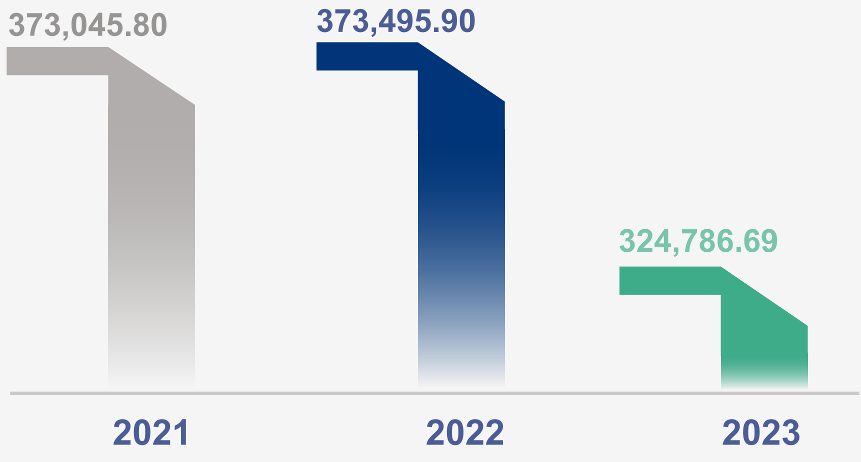
Renewable Energy Investments

The International Energy Agency's (IEA) World Energy Outlook 2023[7] report takes common action as the basis for achieving global climate and energy targets. The record level of investments in renewable energy and the rise of solar power and electric vehicles clearly reveal the transformation in the global energy system. Upon introduction of the EU Renewable Energy Directive[8] on October 9, 2023, the EU aims to increase the share of renewable energy in overall energy consumption to 42.5% until 2030. Moreover, the Energy Efficiency Directive[9], which was officially adopted on 24 July 2023, establishes energy efficiency first as a fundamental principle of EU energy policy, giving it legal-standing. The target of ensuring an additional 11.7% reduction in energy consumption by 2030 compared to 2020 was set.

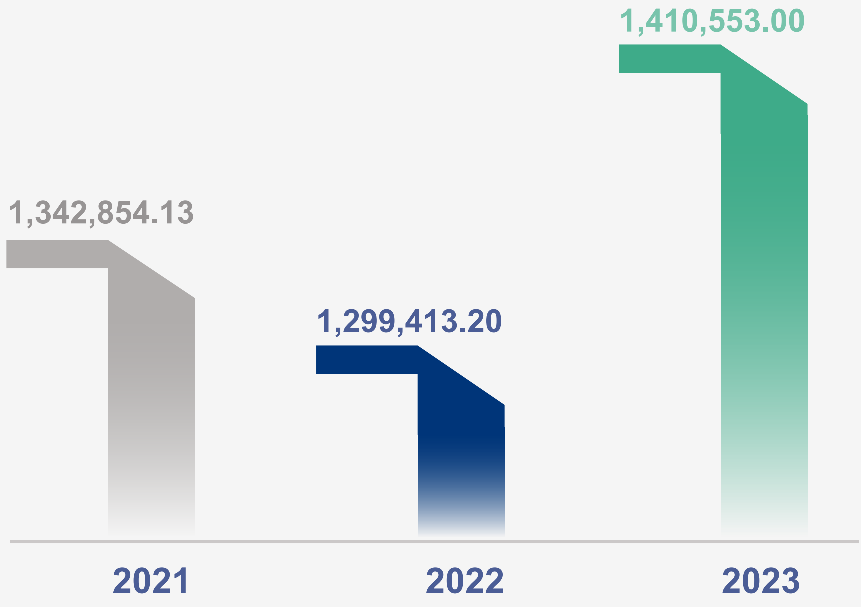
As Çalık Holding, we closely follow these developments in the world. Our Holding and Group companies act with the same perspective in all operations. We support our Group companies to shape their renewable energy investments and business models based on this perspective, with the awareness that climate change is an important problem we need to overcome. In 2023, we carried out 9 energy efficiency projects, as a result of which our energy efficiency was improved, and energy saving was calculated as 2,544,919 kWh.

7. World Energy Outlook
8. EU Renewables Energy Directive (REDIII)
9. EU Energy Efficiency Directive

Renewable Energy Installed Capacity (kW)



Renewable Energy Consumption (kWh)



Energy Sector

ÇALIK ENERJİ

Çalık Enerji closely follows opportunities for renewable energy resources such as hydroelectricity, wind power and solar power for a future free from fossil fuels. In addition to renewable energy investments, it cares about cooperating with strong organizations and supporting start-ups for green energy generation and supply.

Wind Power Plant Works in Georgia

- Çalık Enerji completed Environmental Impact Assessment (EIA) studies and project development/pre-engineering works for 50 MW Nigoza Wind Power Plant in Georgia upon approval of the Parliament of Georgia. Necessary approval for the project's EIA report was also obtained from the Ministry of Environmental Protection and Agriculture. Intense negotiations for the construction contract to be signed with Ministry of Economy and Sustainable Development on behalf of the State of Georgia were completed in 2022, and the contract was signed in the first half of 2023.

Wind-to-Hybrid Conversion Works for Power Plants in İzmir

- Çalık Energy started hybrid SPP project development works in Sarpıncık and Demircili WPPs within the scope of Hybrid Regulation. It completed applications for adding auxiliary resources of 2.5 MW to Demircili WPP and 25.1 MW to Sarpıncık WPP.

KEDS KESCO

Kosova Çalık Limak Energy focuses on renewable energy usage areas to reduce carbon emissions.

Solar Panels

- Upon evaluation of renewable energy usage opportunities to reduce fossil fuel consumptions and carbon emissions, Kosova Çalık Limak Energy installed solar panels in its facilities.

NATURAL RESOURCE MANAGEMENT AND CIRCULARITY

Circular Economy

Forecasts show that we have already used more than half of the world's existing natural resources. We will need three planets by 2050 if current trends continue.

Material consumption has globally increased more than 65% in the last two decades, and reached 95.1 billion metric tons in 2019. In the same year, approximately 13% of food intended for human consumption was lost after harvesting, and 17% was wasted at household, catering and retail levels. Electronic waste quantity reached 7.3 kilograms per person in 2019, and are harmful to our health as a great majority of this waste is not managed properly.

These statistics show us the importance of transforming the way of utilizing and respecting our limited resources for the survival and welfare of humans and the planet. Research reminds us that we need to reduce material extraction and consumption by one-thirds to return to safe consumption limits. Transition to circular economy will play an important role in achieving this target.[10]

Çalık Holding adopts the circular economy approach to use our resources efficiently and minimize our waste. We established the "Zero Waste Management System" for prevention, reduction and proper management of waste generation. With this system, we collect our wastes separately at the source and include them in our recycling processes. Our Zero Waste certification galvanizes our environmental consciousness and commitment to sustainability.

We deliver our non-hazardous waste to licensed companies in accordance with environmental laws; therefore, we both reduce environmental pollution and contribute to recycling. We collect our hazardous waste at private storage areas, and safely carry out recycling or disposal procedures. We inform our employees on environmental pollution and zero waste with training programs, which we organize at least twice a year as an important step in contributing to a sustainable future.

10. UNDP Climate Proses

Energy Sector

Elektrik Dağıtım Anonim Şirketi

Although Aras EDAŞ does not design any products as part of its area of activity, circular economy principles play an important role in energy generation projects and in its suppliers' productions.

Selection of Materials

- Project drawings and product designs aim for efficient usage of equipment and services to ensure that all resources are protected and kept in economy for as long as possible, that waste generation is minimized. Selection of durable and long-lasting equipment is taken into consideration in all projects, and for all products manufactured for Aras EDAŞ by suppliers. In addition, a lot of equipment used in the field can be disassembled and reused; therefore, they are required to be easily assemblable and removable. Equipment that is no longer required in the relevant field can be stocked in warehouses, and used again when required in different fields. Accordingly, economic life of equipment is the most emphasized step during designing processes.

Textile Sector

Çalık Denim and its Sustainability Department conduct various research on production stage in order to use resources efficiently and minimize waste.

Research on Carbon Footprint of Denim Fabrics Made up of Cellulosic Fiber Within the Scope of Life Cycle Assessment

- Environmental impacts of products made up of cellulosic fiber have been determined with a Life Cycle Assessment (LCA). Within this scope, waste generated will be calculated by taking the water consumption, energy consumption and chemical substance materials per unit production into consideration for each product. Environmental impacts were determined with SimaPro software in consideration of inputs and outputs. The Sustainability Department conducted an environmental interaction assessment for product life cycle from the source to factory, and the results were calculated and reported for 1m² denim fabric production with the aim of showing the environmental impacts of cellulosic fiber.

Waste Management

Waste management is one of the fundamental elements of environmental sustainability. We act in accordance with environmental laws by adopting a meticulous approach to waste management. We collect our wastes separately at the source as an important part of our waste management system. We deliver our non-hazardous waste to licensed recycling companies and ensure that they are processed carefully so that they do not harm nature.

We collect our hazardous waste at private storage areas and dispose them through appropriate methods to ensure environmental security. In every stage of these processes, we take necessary measures to mitigate environmental impacts. We aim to create a conscious work culture by providing our employees with regular training on waste management and environmental pollution. Such training not only raises environmental awareness in our company but also ensures that all of our employees take active role in this respect.

Waste Management	Unit	2021	2022	2023
Total amount of waste	tons	32,845.23	145,605.96	280,659.24
Other plastic consumption (single use)	tons	82.22	80.45	77.36
Total paper consumption	tons	3,985.84	7,921.53	11,666.35

Waste Management by Disposal Method	Unit	2021	2022	2023
Recycling	tons	24,154.31	244,694.77	214,493.33
Landfills	tons	163.62	63,310.88	4,282.55
Energy Recovery	tons	4,516.94	7,837.18	325.60
Burning	tons	4,011.94	10,768.00	55,718.85
Total Disposed Waste	tons	32,846.81	326,610.83	274,820.32

Energy Sector

ÇALIK ENERJİ

Çalık Enerji carries out projects to reduce waste at the source by planning the waste that may occur as a result of its activities, starting from the material procurement stage.

Industrial Symbiosis Project

- Çalık Enerji plans the waste that may occur as a result of its activities, starting from the material procurement stage, and aims to reduce its waste at the source. With this understanding, it adopts the circular economy model to minimize the use of natural resources, and considers symbiosis projects for generated waste. During the reporting period, the EPC Contracting Operations business line collaborated with a cement factory in its region for the Senegal project and sent 78.65 tons of wood waste to the cement factory in its region to obtain ash raw material. Wood wastes processed at the cement factory were burned and turned into a raw material to be used in a different industry.

yedaş

YEDAŞ carries out several studies as part of waste management, such as accelerating digitalization processes, disseminating e-document systems, and minimizing the use of physical documents.

Awareness-Raising Works on Paper Usage

- The Company encourages decreasing paper usage by the employees through awareness-raising studies carried out to increase environmental consciousness. YEDAŞ has reduced the plastic packaging and products used in 2023 and switched to alternative and more sustainable materials. Through these activities, it decreased the paper usage by 17% and plastic recycling amount by 19% in 2023 compared to 2022.

YEPAŞ

YEPAŞ adopts the concept of sustainability and focuses on the separation and recycling of office waste. It maintains its determination in contributing to the environment by reducing paper consumption with digital billing. YEPAŞ adopts a business model sensitive to environment by strengthening its sustainability works.

Zero Waste Project

- As part of the "Zero Waste Project", YEPAŞ aims to recycle office waste by separating it at the source. Six colored recycling bins in accordance with the Zero Waste Directive have been placed in all company buildings. The collected waste is recorded on the Environmental Information System of the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye through authorized companies. According to 2023 data, this project ensured the following:
    - Saving 6.77 m^3 of waste storage space,
    - Saving 8,822.31 kWh of energy,
    - Saving 47.87 m^3 water
    - Decreasing 347.8 kg greenhouse gas,
    - Saving 808.48 liters of petrol and 0.55 tons of raw materials.

Digital Invoice In, Paper Invoice Out

- YEPAŞ initiated an eco-friendly approach with the slogan "Digital bills in, paper bills out". With this practice, customers can easily access their invoices via SMS or e-mail, eliminating the need for paper. In this way, YEPAŞ aims to protect the environment by reducing waste production and to contribute to the economy. YEPAŞ continues to prioritize environmental awareness for a sustainable future.

Energy Sector

Kosovo Çalık Limak Energy encourages recycling with projects focusing on separating waste generated within the company.

Waste Separation Project

- As part of integrated waste management approach, Kosovo Çalık Limak Energy has implemented a waste separation project to separate the waste generated within the company at the source during the reporting period. The aim of the project, which has an initial investment cost of ERU 2,800, is to improve current waste management practices and ensure effective separation of different types of waste, thereby reducing the amount of waste going to landfill and encouraging recycling.

Finance Sector

BKT Albania focuses on reducing paper usage and improving customer experience with the projects it carries out.

Digital Onboarding & Qualified Electronic Signature Projects

- With Digital Onboarding & Qualified Electronic Signature Projects, BKT Albania aims to reduce paper usage while also increasing customer experience. While 6,000 customers are expected to participate in this project, it is anticipated that 47 papers will be saved per customer. Thanks to the project, BKT Albania prevents the use of 282,000 papers in a year, thus protecting the environment and providing a better experience for its customers. This project, carried out as part of waste management, was implemented in a functional, cost-effective, and integrated way into the company's business ecosystem.

BKT Kosovo aims to facilitate its operations and increase the efficiency of administrative duties through decreasing paper usage.

Reducing Paper Consumption in the Bank's Activities

- BKT Kosovo supports sustainable business practices and environmental management. It demonstrates its determination in reducing plastic waste and protecting the environment for future generations by supporting initiatives such as the use of eco-friendly cloth bags. To promote sustainable practices and reduce their environmental impact, bank representatives announced in February 2022 that all staff must adhere to a new policy of printing documents double-sided. This initiative has been significantly successful in reducing paper consumption by 50% in the previous period. To further reduce paper usage, the bank has decided to limit printing activities to essential documents only.

Textile Sector

ÇALIK DENIM

A study was carried out to re-evaluate textile waste and transform it into a versatile functional building material with an innovative approach. In this way, re-use of the textile waste was aimed.

Development of Versatile Functional Building Materials from Textile Wastes

- Experimental studies were commenced after developing functional building materials from textile wastes with an innovative approach and transforming them into a value-added product, a literature review in project management systematics, material supply, and preparation of experimental plans. Construction materials were prepared with lab-scaled prescriptions and tests were conducted for the use of the material. The thermal conductivity coefficient of the developed composite material is 0.044 W/mK, which shows that the product is suitable for use as an insulation material. When used as a construction material, this composite material will reduce ambient noise by 27 dB. The fire response of the developed composite material is classified as Class E according to the European Standard (EN 13501-1). Several studies were carried out in R&D laboratories.

Carbonization of Textile Areas and Research of Usage Areas

- Çalık Denim conducted studies on the carbonization of textile waste and research on its usage areas. As a result of the project, Çalık Denim obtained 52 carbonized layers from 13 different wastes such as yarn, fabric, and fly, which produce an average of 1,750 tons annually, by processing them at 4 different temperatures. The carbonization efficiency of each of these was calculated and the calorific value and ash content were determined. In the project in collaboration with İnönü University, it was determined that while an average of 4000-4200 cal/g of energy was obtained when the raw materials were burned directly, the energy content of the solid increased to 7000-7500 cal/g when carbonized.

Water Management

Water management has a critical importance for a sustainable environment. We take various measures to encourage water saving and use our resources effectively. We took an important step to prevent water waste by using sensor taps in all sinks. This system not only contributes to water saving but also helps us to increase our environmental awareness.

As part of the environmental training we provide every year, we inform our employees about water management and water scarcity. These trainings raise awareness about the correct use of water and emphasize the importance of water saving in our company's culture. Water management plays vital important role in terms of protecting our resources and a sustainable future. In this regard, we encourage water saving and conscious use of water in every stage.

Water Management	Unit	2021	2022	2023
Mains Water Usage	tons	148,421.00	291,999.75	369,048.68
Groundwater Usage	tons	86,852.20	58,763.48	28,978.44
Total Draught	tons	235,273.20	350,763.23	460,802.12

Mining Sector

LİDYA MADENCİLİK

Lidya Madencilik recycles its wastewater in specific areas with its wastewater treatment facilities.

Wastewater Treatment Plant

- Lidya Madencilik established and commissioned two domestic and one industrial wastewater treatment plants in the Gediktepe mine site. By using some of the water treated in the industrial wastewater treatment plant as part of industrial use (process) and dust control, it has ensured recovery and contributed to the efficient use of natural resources.

FINANCIAL INFORMATION

ÇALIK HOLDiNG

INDEPENDENT AUDITOR'S REPORT

Çalık Holding Anonim Şirketi and its Subsidiaries

Consolidated Financial Statements
As at and for the Year Ended 31 December 2023
With Independent Auditor's Report

14 August 2024

This report includes 5 pages of independent auditor's report and 122 pages of consolidated financial statements together wtih their explanatory notes.

Çalık Holding Anonim Şirketi and its Subsidiaries

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Güney Bağımsız Denetim ve SMMM A.Ş.
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Independent auditor's report

To the General Assembly of Çalık Holding Anonim Şirketi

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Çalık Holding Anonim Şirketi ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRSs").

Basis for opinion

We conducted our audit in accordance with Independent Auditing Standards ("InAS") which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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Key audit matters	How key audit matter addressed in the auditor's response
Revenue recognition on construction contracts	
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi and GAP İnşaat Yatırım ve Dış Ticaret Anonim Şirketi, the consolidated subsidiaries of the Group, and the subsidiaries operating in the construction sector, conduct mainly engineering, procurement and construction projects ("EPC") in Turkiye and abroad. The revenue from the construction contracts of the companies in energy and construction sector amounting to USD 813.395 thousands constitutes a significant portion of the Group's total revenue. The EPC projects are complex and exposes the Group to various business and financial reporting risks. The timing of the recognition of revenue in respect of EPC contracts is calculated in accordance with TFRS 15 "Revenue from Contracts with Customers" using the input method cost incurred to measure the progress towards to completion of the project. The Group recognizes revenue in accordance with input method to compare proportion of contract costs incurred for performance obligation with estimated total contract costs of related performance obligation. The recognition of revenue and the estimation of the outcome of EPC contracts with project specific terms require significant management judgment, with respect to estimation the cost to complete and the amounts of variation orders to be recognized. The recognition of revenue forms the construction contracts has been identified as key audit matter due to base based on significant management estimation and judgement. We identified revenue from EPC contracts as a significant risk, requiring special audit consideration.	- We obtained an understanding of and tested that the key controls around the revenue recognition process are designed and implemented effectively, supporting the prevention, detection or correction of material errors in the reported contact revenue figures. - We inspected the terms and conditions of material EPC contracts in evaluating the judgements used and determining the timing of the revenue recognition. - We discussed on the status of projects under construction with finance and technical staff of the Group and evidenced our understanding with the supporting documents. - We recomputed contract revenues by using the percentage of completion method. - We tested the revenue recognised from the construction contracts to amounts invoiced to customers and the subsequent receipt of payment from those customers. - We tested by using sampling method the construction costs to invoices by suppliers and subcontractors and the subsequent receipt of payment to those parties by controlling the relevant reconciliations. - We performed an asssesment of the historical level of accuracy and prudence in the contract cost budgets and forecasts and challenged management's current assumptions in respect of completion stages of the EPC projects or change in the cost budgets. - We tested revenue and contract accouting journal entries focusing on unusual or irregular items. - We performed detailed cut off test over revenue and revenue return accounts.

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TAS 29 Financial Reporting Practice in High Inflation Economies	
As explained in footnote 2.1 of Turkish Lira, the functional currency of the Group, Since it is considered a high-inflation economy currency as of December 31, 2023, the Group has started to apply the "TAS 29 Financial Reporting in High-Inflation Economies" standard in the preparation of the attached consolidated financial statements as of the same date. In accordance with TAS 29, the financial statements and comparative financial information for previous periods have been restated to reflect changes in the general purchasing power of the Turkish Lira and, as a result, are presented in terms of the purchasing power of the Turkish Lira as of the reporting date. TAS 29 application has a widespread and significant impact on financial statements. However, considering the additional work spent to audit the application in question, the implementation of TAS 29 has been determined by us as a key audit matter. In accordance with the guidelines of TAS 29, the Company has used Turkish consumer price indices to prepare inflation-sensitive financial statements. Accounting policies and related explanations regarding the application of TAS 29 standard are included in Note 2.1.	During our audit, the following audit procedures were applied regarding the application of TMS 29 "Financial Reporting in High Inflation Economies" standard: - Checking that the distinction between monetary and non-monetary items made by the group management is made in accordance with TMS 29. - Providing detailed lists of non-monetary items and testing through sampling that historical cost and purchase dates are correctly included in the calculation by comparing them with supporting documents. - Checking the index coefficients used in the calculations by comparing them with the coefficients obtained from the Consumer Price Index in Turkey published by TURKSTAT. - Testing the mathematical accuracy of non-monetary items, income statement and cash flow statement rearranged with inflation effects. - Evaluation of the adequacy of the disclosures in the footnotes of the consolidated financial statements regarding the application of TMS 29 according to TFRS.

Other Matter

We have expressed an unqualified opinion in our auditor's report dated July 31, 2024 on the consolidated financial statements of the Group for the period of 1/1/2023-31/12/2023, which are prepared in accordance with Turkish Accounting Standards and presented in Turkish Lira ("TL"). The consolidated financial statements are reissued with a presentation currency of in US Dollar ("USD"), which are measured in accordance with Note 2.d.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRSs, 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 financial reporting process.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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.
- Obtain an understanding of 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 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.

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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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 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 communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with law and provisions of the Company's articles of association in relation to financial reporting.

2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Kaan Birdal.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Kaan Birdal, SMMM
Partner

August 14, 2024
Istanbul, Turkey

(5)

Çalık Holding Anonim Şirketi and its Subsidiaries

As at 31 December 2023

Consolidated Statement of Financial Position

(Amounts expressed in thousands of USD unless otherwise stated.)

			Reclassified (Note 2.f)
		Current period	**Previous Period**
		Audited	**Audited**
Assets	**Notes**	**31 December 2023**	**31 December 2022**
Current assets			
Cash and cash equivalents	9	1.119.562	1.043.602
Financial investments	10	2.064.058	1.581.909
Financial assets related to concession agreements	11	126.069	61.989
Trade receivables	12	420.896	387.332
Due from related parties	*8*	*167.671*	*161.382*
Due from third parties		*253.225*	*225.950*
Receivables related to finance sector operations	13	998.810	902.290
Due from related parties	*8*	*391*	*7.890*
Due from third parties		*998.419*	*894.400*
Other receivables	14	115.941	161.264
Due from related parties	*8*	*51.609*	*62.721*
Due from third parties		*64.332*	*98.543*
Contract assets	*23*	425.119	275.544
Contract assets arising from ongoing construction and contracting works		*425.w119*	*275.544*
Inventories	15	360.003	330.945
Derivatives	25	16.016	14.192
Prepayments	16	103.420	159.455
Current tax assets	29	5.367	22.327
Other current assets	22	863.479	783.590
Subtotal		**6.618.740**	**5.724.439**
Assets held for sale	6	60.057	41.684
Total current assets		**6.678.797**	**5.766.123**
Non- current assets			
Trade receivables	12	27.086	32.232
Due from related parties	*8*	*--*	*1.660*
Due from third parties		*27.086*	*30.572*
Receivables related to finance sector operations	13	1.550.043	1.498.944
Due from related parties		*14.013*	*--*
Due from third parties		*1.536.030*	*1.498.944*
Other receivables	14	370.224	363.542
Due from related parties	8	*318.361*	*320.000*
Due from third parties		*51.863*	*43.542*
Financial investments	10	2.372.560	2.465.071
Financial assets related to concession agreements	11	161.717	190.745
Investments in equity-accounted investees	17	349.663	193.570
Investment properties	21	233.912	189.964
Property, plant and equipment	18	363.716	245.794
Intangible assets	19	249.984	131.533
Goodwill		*7.425*	*1.387*
Other intangible assets		*242.559*	*130.146*
Right of use assets	20	22.908	20.543
Prepayments	*16*	26.787	18.965
Deferred tax assets	29	142.812	174.744
Other non-current assets		1.131	450
Total non-current assets		**5.872.543**	**5.526.097**
Total assets		**12.551.340**	**11.292.220**

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

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Çalık Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2023 *(continued)*

(Amounts expressed in thousands of USD unless otherwise stated.)

Liabilities	Notes	Current period Audited 31 December 2023	Previous Period Audited 31 December 2022
Short term liabilities			
Short term loans and borrowings	24	957.636	1.160.914
Short term portion of long-term loans and borrowings	24	168.032	196.737
Derivatives	25	4.967	4.907
Trade payables	12	219.357	295.479
Due to related parties	*8*	*1.725*	*4.631*
Due to third parties		*217.632*	*290.848*
Payables related to finance sector operations	13	5.801.842	5.108.257
Due to related parties	*8*	*20.305*	*26.384*
Due to third parties		*5.781.537*	*5.081.873*
Payables related to employee benefits	26	12.444	10.212
Other payables	14	79.569	61.023
Due to related parties	*8*	*2.395*	*10*
Due to third parties		*77.174*	*61.013*
Contract liabilities	23	357.430	261.683
Contract liabilities arising from ongoing construction and contracting works		*46.224*	*80.677*
Other contract liabilities		*311.206*	*181.006*
Deferred revenue	16	123.553	109.695
Current tax liabilities	29	11.147	38.178
Short term provisions	27	39.654	38.808
Short term employee benefits	*27*	*22.213*	*18.678*
Other short-term provisions	*27*	*17.441*	*20.130*
Other short-term liabilities	22	78.986	92.727
Subtotal		**7.854.617**	**7.378.620**
Liabilities held for sale	6	--	--
Total short-term liabilities		**7.854.617**	**7.378.620**
Long term liabilities			
Long term loans and borrowings	24	381.845	415.537
Trade payables	12	46	--
Due to third parties		*46*	--
Payables related to finance sector operations	13	916.924	793.781
Due to third parties		*916.924*	*793.781*
Other payables	*14*	23.492	21.162
Due to third parties		*23.492*	*21.162*
Contract liabilities	23	192.049	80.869
Contract liabilities arising from ongoing construction and contracting works		*192.049*	*80.869*
Deferred revenue	16	30.308	93.542
Long term provisions	27	32.096	15.803
Long term employee benefits	*27*	*19.890*	*15.766*
Other long-term provisions	*27*	*12.206*	*37*
Deferred tax liabilities	29	58.649	26.354
Other long-term liabilities		51	--
Total long-term liabilities		**1.635.460**	**1.447.048**
Total liabilities		**9.490.077**	**8.825.668**

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

3

Çalık Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2023 *(continued)*

(Amounts expressed in thousands of USD unless otherwise stated.)

Equity	Notes	Current period Audited 31 December 2023	Previous Period Audited 31 December 2022
Equity attributable to the owners of the Company			
Share capital	30	210.761	210.761
Adjustment to share capital		3.388	3.388
Other comprehensive income that is or will not be reclassified to profit or loss		*(14.174)*	*(9.187)*
Accumulated re-measurements loss of defined benefit plans		*(14.174)*	*(9.187)*
Other comprehensive income that is or may be reclassified to profit or loss		(1.336.890)	(1.214.886)
Currency translation differences		*(1.280.698)*	*(1.129.954)*
Fair value of debt financial assets at fair value		*(56.192)*	*(84.932)*
Restricted reserves	30	664.833	768.993
Retained earnings		3.011.983	1.679.111
Profit for the year		299.129	840.497
Total equity attributable to the owners of the Company		**2.839.030**	**2.278.677**
Total non-controlling interests	30	**222.233**	**187.875**
Total equity		**3.061.263**	**2.466.552**
Total equity and liabilities		**12.551.340**	**11.292.220**

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

4

Çalık Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

		Current period	Previous Period
		Audited	Audited
Profit or loss	**Notes**	**31 December 2023**	**31 December 2022**
Continuing operations			
Revenue	31	2.192.242	2.004.460
Revenue from finance sector operations	31	695.673	574.568
Total revenue	**31**	**2.887.915**	**2.579.028**
Cost of sales (-)	31	(1.726.838)	(1.508.431)
Cost of revenues from finance sector operations (-)	31	(277.845)	(211.801)
Total cost	**31**	**(2.004.683)**	**(1.720.232)**
Gross profit	**31**	**883.232**	**858.796**
General and administrative expenses (-)	32	(309.315)	(228.657)
Selling, marketing and distribution expenses (-)	32	(41.163)	(43.795)
Research and development expenses (-)	32	(22.944)	(14.825)
Other income from operating activities	33	136.772	185.421
Other expenses from operating activities (-)	33	(93.676)	(155.607)
Operating profit		**552.906**	**601.333**
Gain from investing activities	34	251.551	306.962
Loss from investing activities (-)	34	(199.324)	(70.684)
Loss and gain from share of profit of equity accounted investees	17	108.105	25.287
Operating profit before finance costs		**713.238**	**862.898**
Finance income	35	38.586	146.985
Finance costs (-)	35	(84.226)	(178.113)
Net monetary gain / loss arising from hyperinflationary economies		(240.153)	--
Net finance costs		**(285.793)**	**(31.128)**
Profit before tax from continuing operations		**427.445**	**831.770**
Current tax expense (-)	29	(103.685)	(103.368)
Deferred tax benefit	29	(9.967)	132.387
Total tax expense		**(113.652)**	**29.019**
Profit for the year from continuing operations		**313.793**	**860.789**

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

5

Çalık Holding Anonim Şirketi and its Subsidiaries

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2023 *(continued)*

(Amounts expressed in thousands of USD unless otherwise stated.)

		Current Period	Previous Period
		Audited	Audited
Other comprehensive income	**Notes**	**31 December 2023**	**31 December 2022**
Profit for the year from continuing operations		**313.793**	**860.789**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations and reporting currency translation differences		(130.395)	(246.588)
Change in fair value of available-for-sale financial assets	10	27.771	(135.542)
Deferred tax benefit/(expense)	29	(6.943)	33.885
Total		**(109.567)**	**(348.245)**
Items that are or will not be reclassified to profit or loss			
Actuarial loses	27	(5.442)	(5.255)
Deferred tax income		1.360	1.313
Total		**(4.082)**	**(3.942)**
Total other comprehensive loss		**(113.649)**	**(352.187)**
Total comprehensive income		**200.144**	**508.602**
Net profit attributable to:			
Equity holders of the parent		299.129	840.497
Non-controlling interests		14.664	20.292
Net profit for the year		**313.793**	**860.789**
Total comprehensive income attributable to:			
Equity holders of the parent		163.325	481.333
Non-controlling interests		36.819	27.269
Total other comprehensive income		**200.144**	**508.602**

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

6

Çalık Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

	Attributable to owners of the Company											
			Restricted reserves	Accumulated other comprehensive income/(expense) that may be reclassified to profit or loss		Accumulative other comprehensive income / (expense) that are or may be reclassified to profit or loss		Retained earnings				
USD	Paid-in Capital	Adjustment to share capital	Legal reserves	Revaluation fund	Accumulated re-measurements loss of defined benefit plans	Fair value of debt financial assets at fair value	Translation reserve	Retained earnings	Profit / for the period	Total	Non-controlling interests	Total equity
Balances at 31 December 2022 (previously reported)	**210.761**	**3.388**	**768.993**	--	**(9.187)**	**(84.932)**	**(1.129.954)**	**1.679.111**	**840.497**	**2.278.677**	**187.875**	**2.466.552**
Inflation effect	--	--	39.372	--	(918)	7.903	1.829	349.676	--	**397.862**	15.204	**413.066**
Balances at 1 January 2023	**210.761**	**3.388**	**808.365**	--	**(10.105)**	**(77.029)**	**(1.128.125)**	**2.028.787**	**840.497**	**2.676.539**	**203.079**	**2.879.618**
Total comprehensive income for the period	--	--	--	--	--	--	--	--	--	--	--	--
Profit for the period	--	--	--	--	--	--	--	--	299.130	**299.130**	14.663	**313.793**
Other comprehensive income	--	--	--	--	--	--	--	--	--	--	--	--
Net fair value change in financial assets available-for-sale	--	--	--	--	--	20.837	--	--	--	**20.837**	(9)	**20.828**
Actuarial gains	--	--	--	--	(4.069)	--	--	--	--	**(4.069)**	(13)	**(4.082)**
Foreign currency translation differences for foreign operations and reporting currency translation differences	--	--	--	--	--	--	(152.573)	--	--	**(152.573)**	22.178	**(130.395)**
Other comprehensive income	--	--	--	--	**(4.069)**	**20.837**	**(152.573)**	--	--	**(135.805)**	**22.156**	**(113.649)**
Total comprehensive income for the period	--	--	--	--	**(4.069)**	**20.837**	**(152.573)**	--	**299.130**	**163.325**	**36.819**	**200.144**
Transactions with owners, recorded directly in equity												
Participation by non-controlling shareholders in subsidiaries' capital increases	--	--	--	--	--	--	--	--	--	--	(84)	**(84)**
Addition and disposal of subsidiaries	--	--	--	--	--	--	--	--	--	--	(13.649)	**(13.649)**
Decrease due to other changes	--	--	--	--	--	--	--	(667)	--	**(667)**	(133)	**(800)**
Dividends paid	--	--	--	--	--	--	--	--	--	--	(3.966)	**(3.966)**
Transfers	--	--	(143.532)	--	--	--	--	984.030	(840.498)	--	--	--
Change in non-controlling interest in consolidated subsidiaries without change in control	--	--	--	--	--	--	--	10	--	**10**	(10)	--
Increase and decrease due to share buyback transactions	--	--	--	--	--	--	--	(177)	--	**(177)**	177	--
Total transactions with owners	--	--	**(143.532)**	--	--	--	--	**983.196**	**(840.498)**	**(834)**	**(17.665)**	**(18.499)**
Balances at 31 December 2023	**210.761**	**3.388**	**664.833**	--	**(14.174)**	**(56.192)**	**(1.280.698)**	**3.011.983**	**299.129**	**2.839.030**	**222.233**	**3.061.263**

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

Çalık Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

	Attributable to owners of the Company											
			Restricted reserves	Accumulated other comprehensive income/(expense) that may be reclassified to profit or loss		Accumulative other comprehensive income / (expense) that are or may be reclassified to profit or loss		Retained earnings				
USD	Paid-in Capital	Adjustment to share capital	Legal Reserves	Revaluation fund	Accumulated re-measurements loss of defined benefit plans	Fair value of debt financial assets at fair value	Translation reserve	Retained earnings	Profit / for the period	Total	Non-controlling interests	Total equity
Balances at 31 December 2021 (previously reported)	**210.761**	**3.388**	**720.867**	--	**(5.153)**	**16.754**	**(850.861)**	**1.204.195**	**523.066**	**1.823.017**	**163.348**	**1.986.365**
Total comprehensive income for the period												
Profit for the period	--	--	--	--	--	--	--	--	840.498	840.498	20.291	860.789
Other comprehensive income												
Net fair value change in financial assets available-for-sale	--	--	--	--	--	(101.686)	--	--	--	(101.686)	29	(101.657)
Actuarial gains	--	--	--	--	(4.034)	--	--	--	--	(4.034)	92	(3.942)
Foreign currency translation differences for foreign operations and reporting currency translation differences	--	--	--	--	--	--	(253.445)	--	--	(253.445)	6.857	(246.588)
Other comprehensive income	--	--	--	--	**(4.034)**	**(101.686)**	**(253.445)**	--	--	**(359.165)**	**6.978**	**(352.187)**
Total comprehensive income for the period	--	--	--	--	**(4.034)**	**(101.686)**	**(253.445)**	--	**840.498**	**481.333**	**27.269**	**508.602**
Transactions with owners, recorded directly in equity												
Participation by non-controlling shareholders in subsidiaries' capital increases	--	--	--	--	--	--	--	--	--	--	4.102	4.102
Increase due to other changes	--	--	--	--	--	--	--	1.904	--	1.904	255	2.159
Acqusiation/Disposal of subsidiaries	--	--	--	--	--	--	(25.648)	6.087	--	(19.561)	(6.415)	(25.976)
Change in non-controlling interest in consolidated subsidiaries without change in control	--	--	--	--	--	--	--	(8.016)	--	(8.016)	3.186	(4.830)
Dividends paid	--	--	--	--	--	--	--	--	--	--	(3.870)	(3.870)
Transfers	--	--	48.126	--	--	--	--	474.941	(523.067)	--	--	--
Total transactions with owners	--	--	**48.126**	--	--	--	**(25.648)**	**474.916**	**(523.067)**	**(25.673)**	**(2.742)**	**(28.415)**
Balances at 31 December 2022	**210.761**	**3.388**	**768.993**	--	**(9.187)**	**(84.932)**	**(1.129.954)**	**1.679.111**	**840.497**	**2.278.677**	**187.875**	**2.466.552**

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

Çalık Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

			Reclassified (Note 2.f)
		Current period	**Previous period**
		Audited	**Audited**
	Notes	**31 December 2023**	**31 December 2022**
A .CASH FLOWS FROM OPERATING / (USED IN) ACTIVITIES		**1.131.270**	**47.161**
Profit for the period		**313.793**	**860.789**
Adjustments to reconcile cash flow generated from operating activities:		**318647**	**(1.020.444)**
Adjustments for depreciation and amortisation	18-19-20	103.185	55.717
Loss/(gain) on sale of derivative financial instruments	34	945	618
Adjustments for fair value gains of financial investments	10	104.499	(859.199)
Adjustments for dividends	34	(13.245)	(47.111)
Adjustments for provision for doubtful receivables	12	13.153	677
Adjustments for inventory impairment, net	15	(1.706)	1.047
Adjustments for impairment (reversal) of other financial assets or investments	10	(6.649)	9.231
Adjustments for provision for long term employee benefits	27	12.823	12.528
Adjustments for provisions (cancellation) reserved for possible risks	13	23.074	44.513
Adjustments for fair value (gain) / loss of investment property	21	(40.741)	(31.818)
Adjustment for business acquisition	17, 18, 19, 20	18.553	34.389
Adjustments for gains(losses) on acquisitions or sale of associates, joint ventures and other financial investments	34	2.751	2.734
Adjustments for provision for litigation	27	(1.300)	1.636
Adjustments for other provisions	27	13.485	1.967
Adjustments for share of (profit)/ loss of equity accounted investees	17	(108.042)	(24.534)
Adjustments for interest income, expenses and interest rediscounts		(204.224)	(147.634)
Adjustments from sale of business		--	1.294
Rediscount interest (gain) / losses, net		(8.916)	(4.310)
Adjustments for tax expense	29	113.652	(29.019)
Provision for impairment in value of associates	34	--	21.157
Unrealized foreign currency loss/(income)		297.350	(58.579)
Other adjustments	13	--	(5.738)
Changes in working capital		**311.588**	**62.719**
Adjustments for change in inventories		(28.376)	(40.582)
Adjustments for change in trade receivables		(43.797)	83.296
Adjustments for change in payables related to employee benefits		2.232	2.583
Adjustments for change in other receivables, other current assets and other non-current assets related with operating activities		(41.929)	(149.419)
Changes in contract assets and liabilities		57.352	112.990
Adjustments for change in financial assets related to concession		(161.744)	(145.683)
Adjustments for change in assets held for sale		(18.373)	18.265
Adjustments for change in liabilities held for sale		--	(739)
Adjustments for change in receivables from finance sector operations		(182.558)	(123.308)
Adjustments for change in payables from finance sector operations		816.728	413.186
Change in restricted cash and cash equivalents		(15.508)	(21.851)
Adjustments for change in trade payables		(76.076)	29.888
Adjustments for change in prepayments		48.213	(52.908)
Adjustments for change in deferred income (except liabilities arisinf grom consumer contracts)		(49.376)	(89.504)
Adjustments for change in other payables and other liabilities related with operating activities		4.800	26.505

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

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Çalık Holding Anonim Şirketi and its Subsidiaries

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

		Current period	**Previous period**
	Notes	**31 December 2023**	**31 December 2022**
Cash flows from operating activities		**187.242**	**144.097**
Employee termination indemnity paid	27	(5.591)	(2.518)
Financial sector activities receivables	13	7.860	9.245
Interest received		464.576	403.055
Interest paid		(195.258)	(180.910)
Collection from doubtful receivables	12	1.021	702
Taxes paid	29	(85.366)	(85.477)
B. CASH FLOWS USED IN INVESTING ACTIVITIES		**(562.528)**	**(53.129)**
Proceeds from sales of property, plant and equipment and intangible assets		26.774	19.464
Acquisition of property, plant and equipment	18	(65.281)	(153.659)
Acquisition of intangible assets	19	(69.639)	(30.142)
Acquisition of investment property	21	(2.579)	--
Proceeds from sales of investment property	21, 34	963	44.563
Cash outflows due to share purchase or capital increase in affiliates and/or joint ventures	17	(9.188)	(2.421)
Cash inflows from dividends and other financial instruments	17, 34	17.981	50.785
Cash outflows on purchases to obtain control of subsidiaries		(13.649)	(25.976)
Proceeds from formation and capital increase of subsidiaries without change in control		(658)	(328)
Proceeds from / (repayment of) derivative financial instruments		(2.709)	13.595
Proceeds from redemption of financial assets at amortized cost	10	866.812	234.154
Proceeds from sales of financial assets at FVTOCI	10	1.593.120	2.068.300
Proceeds from the sale of investments in financial assets at FVTPL	10	405.695	804.705
Acquisition of financial assets at amortised costs	10	(882.590)	(774.762)
Acquisition of financial assets at FVTOCI	10	(1.954.500)	(1.240.413)
Acqusitions of financial assets at FVTPL	10	(472.996)	(1.072.857)
Capital increase in non-controlling shares	30	(84)	4.102
Other cash inflows/outflows	5	--	7.761
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(337.390)**	**(244.057)**
Proceeds from the funding of related parties		2.385	32.263
Dividend payment	30	(3.966)	(3.870)
Proceeds from / (repayment of) loans and borrowings, net		(270.715)	(197.940)
Interest paid		(65.094)	(74.510)
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**231.352**	**(250.025)**
Inflation impact on cash and cash equivalents		(139.884)	--
E. CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD		**983.696**	**1.233.721**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+E)	**9**	**1.075.164**	**983.696**

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

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Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements

As at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

Notes to the consolidated financial statements

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements

As at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

1 Reporting entity

Çalık Holding Anonim Şirketi ("Çalık Holding" or "the Company") was established in 1997 and the Company's main operations are to manage and coordinate the activities of its subsidiaries operating in different industries, including textile, energy, construction, real estate, investment, banking and finance and marketing to make investments in these industries.

Çalık Holding was established at its registered office address is Büyükdere Caddesi No: 163 Zincirlikuyu İstanbul/Turkiye, on 20 March 1997.

As at 31 December 2023, Çalık Holding has 115 (31 December 2022: 111) subsidiaries ("the Subsidiaries"), 12 (31 December 2022: 10) joint ventures ("the Joint Ventures"), and 14 (31 December 2022: 20) associates ("the Associates") (referred to as "the Group" or "Çalık Group" here in and after). The consolidated financial statements of the Group as of and for the year ended 31 December, comprises Çalık Holding andon its subsidiaries and the Group's interest in associates and joint ventures.

As at 31 December 2023, the number of employees of the Group is 15.069 (31 December 2022: 12.812).

As explained in more detail in Note 7, as of 31 December 2023 the Group operates mainly under six segments; Energy, Construction, Textile, Marketing, Mining, Banking and Finance.

As of 31 December 2023, the new addition to the group as follows:

Company Name	Type of partnership	Country	Sector
Agata Trading S.R.L.	Subsidiary	Italy	Energy
CME Al Wakra Water WLL	Subsidiary	Qatar	Energy
Çe Yenilenebilir Enerji Limited Şirketi	Subsidiary	Turkiye	Energy
E-Kent Europe GMBH	Subsidiary	Germany	Banking and Finance
UPTION Europe GmbH	Subsidiary	Germany	Banking and Finance
AB Sukuk Varlık Kiralama A.Ş.	Subsidiary	Turkiye	Banking and Finance
Yeni Malatya Gayrimenkul Tekstil Sanayi ve Ticaret A.Ş.	Subsidiary	Turkiye	Textile

Agata Trading S.R.L("Agata Trading")

Agata Trading was established in Italy in 2023 to combine the procurement of goods and services for international EPC projects.

CME Al Wakra Water WLL ("Wakra")

CME Wakra was established on August 31, 2023 in Qatar for the construction and repair of irrigation channels and irrigation pipelines.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements

As at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

1 **Reporting entity** *(continued)*

Çe Yenilenebilir Enerji Limited Şirketi ("Çe Yenilenebilir")

Çe Yenilenebilir Enerji Limited Turkiye was established in Turkiye in 2023 for for the purpose of building, rental and operating of renewable electricity power plants.

E-Kent Europe GMBH

Within the scope of the projection of expanding its field of activity and business volume, E-Kent established the subsidiary titled E-Kent Europe GmbH, of which it is a 100% shareholder, in Germany on February 20, 2023, with a capital of USD 26.595, equivalent to EUR 25.000.

UPTION Europe GmbH

Within the scope of the projection of expanding its field of activity and business volume, UPT established the subsidiary titled UPTION Europe GmbH, of which it is a 100% shareholder, in Germany on March 8, 2023, with a capital of USD 26.673, uequivalent to EUR 25.000.

AB Sukuk Varlık Kiralama A.Ş.

AB Sukuk Varlık Kiralama A.Ş. ("AB Sukuk") was established by Aktif Bank on December 13, 2023 with a paid-in capital of USD 3.451, in accordance with the Capital Markets Law No. 6362, the relevant Communiqué and regulations of the Capital Markets Board, for the purpose of issuing "Lease Certificates". As of December 31, 2023, it has not yet commenced its commercial operations.

Yeni Malatya Gayrimenkul Tekstil Sanayi ve Ticaret A.Ş.

Yeni Malatya Gayrimenkul Tekstil San. Tic. A.Ş. is a joint stock company established in Malatya, Turkiye on November 21, 2023. Yeni Malatya operates in textile industry raw materials and real estate trade.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements

As at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

1 **Reporting entity** *(continued)*

1.1 ***Entities in Energy Segment***

Company Names	Types of Partnership	Country
Adacami Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye
Agata Trading S.R.L. (*) (**)	Subsidiary	Italy
Ant Enerji Sanayi ve Ticaret Limited Şirketi	Subsidiary	Turkiye
Asya Center Enerji İnşaat Sanayi Ticaret Anonim Şirketi (***)	Subsidiary	Turkiye
Atayurt İnşaat Anonim Şirketi	Subsidiary	Turkiye
CE SOLAIRE 1 SAS	Subsidiary	Kongo
CE SOLAIRE 2 SAS	Subsidiary	Kongo
Ce Solar Dooel Skopje	Subsidiary	Macedonia
CME Wakra Water WLL (*) (**)	Subsidiary	Qatar
CYK Enerji Adi Ortaklığı	Joint ventures	Turkiye
Çalık Albania Wind Sh.P.K./Llc	Subsidiary	Albania
Çalık Elektrik Dağıtım Anonim Şirketi	Subsidiary	Turkiye
Çalık Enerji Japan G.K. (*)	Subsidiary	Japan
Çalık Enerji Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye
Çalık Enerji Swiss AG	Subsidiary	Switzerland
Çalık Georgia LLC (*)	Subsidiary	Georgia
Çalık Limak Adi Ortaklığı	Joint ventures	Turkiye
Çalık Proje Mühendislik A.Ş.	Subsidiary	Turkiye
Çalık Rüzgar Enerjisi Elektrik Üretim Limited Şirketi	Subsidiary	Turkiye
Çe Yenilenebilir Enerji İşletme ve Bakım Limited Şirketi (**) (***)	Subsidiary	Turkiye
Demircili Rüzgar Enerjisi Elektrik Üretim Anonim Şirketi	Subsidiary	Turkiye
Doğu Aras Enerji Yatırımları Anonim Şirketi	Joint ventures	Turkiye
Dtm Enerji Yatırımları Adi Ortaklığı (*)	Joint ventures	Turkiye
Eurokos Dd L.L.C (*)	Subsidiary	Kosovo
Jasper Trading (*)	Subsidiary	Poland
JSC Calik Georgia Wind	Subsidiary	Georgia
Kızılırmak Enerji Elektrik Anonim Şirketi	Subsidiary	Turkiye
Kosova Çalık Limak Energy Sh.A.	Joint ventures	Kosovo
LC Electricity Supply and Trading d.o.o.	Joint ventures	Serbia
Machinego Teknoloji Danışmanlık ve İş Makinaları Anonim Şirketi	Joint ventures	Turkiye
Momentum Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye
Onyx Trading Innovation FZE	Subsidiary	BAE
Pkn Enerji Hizmetleri Adi Ortaklığı (*)	Joint ventures	Turkiye
Saudi Jalik Energy Company (*)	Subsidiary	Saudi Arabia
TCB İnşaat Yatırım Anonim Şirketi	Subsidiary	Turkiye
Technological Energy N.V.	Subsidiary	Netherlands
Türkmen'in Altın Asrı Elektrik Enerjisi Toptan Satış Anonim Şirketi	Subsidiary	Turkiye
UZTUR Investment and Development Limited	Subsidiary	Uzbekistan
Workindo Teknoloji ve İnsan Kaynakları Danışmanlık A.Ş. (*)	Joint ventures	Turkiye
Yeşilçay Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye
Yeşilırmak Elektrik Dağıtım Anonim Şirketi	Subsidiary	Turkiye
Yeşilırmak Elektrik Perakende Satış A.Ş.	Subsidiary	Turkiye

(*) Çalık Georgia LLC, CME AI Wakra Water WLL, Agata Trading, Saudi Jalik Energy Company, Workindo Teknoloji ve İnsan Kaynakları Danışmalık A.Ş., Jasper Trading, DTM Enerji Yatırımları Adi Ortaklığı, PKN Enerji Hizmetleri Adi Ortaklığı, Çalık Enerji Japan G.K, Eurokos D.d L.L.C. subsidiaries of the Group, are not consolidated due to the insignificance of their financial impact on the consolidated financial statements as at and for the period ended 31 December 2023.

(**) Established in 2023.

(***) Title changed in 2023.

Çalık Holding Anonim Şirketi and its Subsidiaries

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As at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

1 Reporting entity *(continued)*

1.2 Entities in construction segment

Company Names	Types of Partnership	Country
Çalık İnşaat Anonim Şirketi ("Çalık İnşaat")	Subsidiary	Turkiye
Deutsche Tiefbau Gesellschaft für Infrastrukturentwicklung mbH ("Deutsche Tiefbaur")	Subsidiary	Germany
Gap Construction Co.("GAP İnşaat Libya")	Subsidiary	Libya
Gap Construction Investment and Foreign Trade LLC-Qatar ("Gap İnşaat Katar")	Subsidiary	Qatar
Gap İnşaat Construction and Investment Co. Ltd. ("Gap İnşaat Sudan")	Subsidiary	Sudan
Gap İnşaat Dubai FZE ("GAP İnşaat Dubai")	Subsidiary	UAE
Gap İnşaat Ukraine Ltd. ("Gap Inşaat Ukrayna")	Subsidiary	Ukraine
Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi ("Gap İnşaat")	Subsidiary	Turkiye
Innovative Construction Technologies Trading FZE ("Innovative Construction")	Subsidiary	UAE
OOO Gap İnşaat ("Gap İnşaat Rusya")	Subsidiary	Russia
White Construction N.V. ("White Construction")	Subsidiary	Netherlands

1.3 Entities in textile segment

Company Names	Types of Partnership	Country
Calik Denim B.V.	Subsidiary	Netherlands
Çalık Denim Tekstil Sanayi ve Ticaret Anonim Şirketi ("Çalık Denim")	Subsidiary	Turkiye
Malatya Boya ve Emprime Anonim Şirketi ("Malatya Boya")	Subsidiary	Turkiye
Yeni Malatya Gayrimenkul Tekstil Sanayi ve Ticaret A.Ş. (*)	Subsidiary	Turkiye

(*) The company was established in 2023.

1.4 Entities in marketing segment

Company Names	Types of Partnership	Country
Anateks Anadolu Tekstil Fabrikaları	Subsidiary	Turkiye
Çalık Alexandria For Readymade Garments	Subsidiary	Egypt
Gap Pazarlama Anonim Şirketi	Subsidiary	Turkiye
Gap Pazarlama FZE Jebel Ali Free Zone	Subsidiary	UAE
Gappa Textile Inc.	Subsidiary	USA
Tura Moda Mağazacılık ve Elektronik Tic. A.Ş.	Subsidiary	Turkiye

1.5 Entities in mining segments

Company name	Types of partnership	Country
Artmin Madencilik Sanayi ve Ticaret Anonim Şirketi	Joint ventures	Turkiye
Bakırtepe Madencilik ve Sanayi ve Ticaret Anonim Şirketi	Joint ventures	Turkiye
Kartaltepe Madencilik Sanayi ve Ticaret Anonim Şirketi	Joint ventures	Turkiye
Lidya Aurasia	Subsidiary	Uzbekistan
Lidya Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye
Lidya Mali SA	Subsidiary	Mali
Polimetal Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye
Tunçpınar Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye

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Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements

As at and for the Year Ended 31 December 2023

(Amounts expressed in thousands of USD unless otherwise stated.)

1 Reporting entity *(continued)*

1.6 Entities in banking and finance segment

Company name	Types of partnership	Country
Aktif Bank Sukuk Varlık Kiralama Anonim Şirketi	Associate	Turkiye
AB Sukuk Varlık Kiralama A.Ş. (*)	Subsidiary	Turkiye
Aktif Fortis Enerji A.Ş. ("Aktif Fortis")	Associate	Turkiye
Aktif Portföy Yönetimi A.Ş. ("Mükafat Portföy Yönetimi")	Subsidiary	Turkiye
Aktif Yatırım Bankası Anonim Şirketi ("Aktifbank")	Subsidiary	Turkiye
Aktiftech Teknoloji Anonim Şirketi	Subsidiary	Turkiye
Akuamarin Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Albania Leasing Company ("Albania Leasing")	Associate	Albania
Ametist Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Attivo Bilişim Anonim Şirketi	Subsidiary	Turkiye
Aytaşı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Banka Kombëtare Tregtare Kosovë JSC	Subsidiary	Kosovo
Banka Kombetare Tregtare Sh.a	Subsidiary	Albania
Cydev Investment Ltd.	Associate	TRNC
Çiğdem Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Defne Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Deniz Güneş Enerjisi Üretimi Anonim Şirketi	Subsidiary	Turkiye
Dome Zero Inc	Associate	USA
Duru Güneş Enerjisi Üretimi Anonim Şirketi	Subsidiary	Turkiye
E-Kent Europe GMBH (*)	Subsidiary	Germany
E-Kent Geçiş Sistemleri ve Biletleme Teknolojileri Anonim Şirketi	Subsidiary	Turkiye
Eko Biokütle Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Emlak Girişim Danışmanlığı Anonim Şirketi	Subsidiary	Turkiye
Emyap Development Limited	Associate	TRNC
E-post Elektronik Perakende Otomasyon Satış Ticaret Anonim Şirketi	Subsidiary	Turkiye
Esen Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkiye
Euro-Mediterranean Investment Company Limited ("Euro-Mediterranean")	Associate	TRNC
Gelincik Solar Enerji Üretim Anonim Şirketi.	Subsidiary	Turkiye
Güneştaşı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Halk Yenilenebilir Enerji Anonim Şirketi	Associate	Turkiye
Idea Farm Ventures Limited	Associate	UAE
İnovaban İnovasyon ve Finansal Danışmanlık Anonim Şirketi	Subsidiary	Turkiye
İpek Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkiye
Kaplan Gözü Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Kasımpatı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Kazakhistan Ijara Company KIC Leasing ("Kazakhistan Ijara")	Associate	Kazakhistan
Kuvars Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Lapis Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Leylak Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Lilyum Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Martı Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Mehtap Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkiye
N-Kolay Ödeme ve Elektronik Para Kuruluşu A.Ş. ("N-Kolay Ödeme Kuruluşu A.Ş.")	Subsidiary	Turkiye
Nilüfer Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Oniks Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Opal Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Passo Spor Oyunları Kulübü Yazılım ve Pazarlama A.Ş.	Subsidiary	Turkiye
Pavo Teknik Servis Elektrik ve Elektronik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye
Secom Aktif Elektronik Güvenlik Çözümleri A.Ş.	Associate	Turkiye
Secom Aktif Güvenlik Yatırım Anonim Şirketi	Associate	Turkiye
Seher Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkiye
Sigortayeri Sigorta ve Reasürans Brokerlığı Anonim Şirketi ("Sigortayeri")	Subsidiary	Turkiye
Silent Valley Partnership	Associate	TRNC
Tanyeri Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkiye
Tasfiye Halinde Haliç Finansal Kiralama A.Ş.	Associate	Turkiye
Turkuvaz Solar Enerji Üretim Anonim Şirketi	Subsidiary	Turkiye
Ufuk Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkiye
UPT Ödeme Hizmetleri ve Elektronik Para Anonim Şirketi	Subsidiary	Turkiye
UPTION Europe GmbH (*)	Subsidiary	Germany
Yakamoz Güneş Enerjisi Üretim Anonim Şirketi	Subsidiary	Turkiye

(*) The company was established in 2023.

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Çalık Holding Anonim Şirketi and its Subsidiaries

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(Amounts expressed in thousands of USD unless otherwise stated.)

1 **Reporting entity** *(continued)*

1.7 ***Entities in other segments***

Company name	Types of partnership	Country
Başak Yönetim Sistemleri Anonim Şirketi	Subsidiary	Turkiye
Cetel Telekom İletişim Sanayi ve Ticaret Anonim Şirketi (“Cetel	Subsidiary	Turkiye
Çalık Dijital ve Bilişim Hizmetleri Anonim Şirketi	Subsidiary	Turkiye
Çalık Hava Taşımacılık Turizm Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye
Çalık Pamuk Doğal ve Sentetik Elyaf Ticaret Anonim Şirketi	Subsidiary	Turkiye
Çalık Petrol Arama Üretim Sanayi ve Ticaret A.Ş.	Subsidiary	Turkiye
Çalık Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi	Subsidiary	Turkiye
Enrich Girişim ve Bilişim Yatırımları Anonim Şirketi	Subsidiary	Turkiye
Irmak Yönetim Sistemleri Anonim Şirketi	Subsidiary	Turkiye
İkideniz Petrol ve Gaz Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkiye

2 **Basis of preparation**

a) ***Statement of compliance***

The consolidated financial statements of the Group are in accordance with the provisions of the "Communiqué on Principles of Financial Reporting in the Capital Markets" (Communiqué Serial II, No. 14.1) published in the Official Gazette dated 13 June 2013 and numbered 28676, Public Oversight, Accounting and Audit. It has been prepared on the basis of Turkish Financial Reporting Standards (“TFRS”) and related annexes and comments, in line with international standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). TFRS is updated through communiqués to ensure parallelism with the changes in International Financial Reporting Standards (“TFRS”).

Financial statements and footnotes have been presented in accordance with the “2019 TAS Taxonomy” announced by the POA with its resolution dated 7 June 2019.

Consolidated financial statements have been approved by the Company's Management on 14 August 2024 for publication.

Going concern

Consolidated financial statements have been prepared on the basis of going concern, assuming that the Company and its subsidiaries included in consolidation will benefit from its assets and fulfill its obligations in the natural flow of its activities in the next year.

b) ***Financial reporting in hyperinflationary economy***

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

All non-monetary assets and liabilities and profit or loss statements of subsidiaries whose functional currency of the Group is Turkish Lira have been adjusted using the Consumer Price Index. As a result of the correction made according to the inflation effect; The effect of TAS 29 indexation until 1 January 2023 is accounted under equity, and the effect of TAS 29 indexation from 1 January 2023 until 31 December 2023 is accounted for in the consolidated statement of profit or loss.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements

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(Amounts expressed in thousands of USD unless otherwise stated.)

2 **Basis of preparation** *(continued)*

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkiye Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since January 1, 2005 were as follow:

Year end	Index numbers	Index, %	Conversion Factor
2004	113,86	13,86	16,33041
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,40	10,22480
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,40	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,30	4,72068
2019	440,50	11,84	4,22107
2020	504,81	14,60	3,68333
2021	686,95	36,08	2,70672
2022	1128,45	64,27	1,64773
2023	1859,38	64,77	1,00000

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of December 31, 2023. Non-monetary items which are not expressed in terms of measuring unit as of December 31, 2023 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value.

Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before January 1, 2005, were restated by applying the change in the CPI from January 1, 2005 to December 31, 2023.

Çalık Holding Anonim Şirketi and its Subsidiaries

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(Amounts expressed in thousands of USD unless otherwise stated.)

2 Basis of preparation *(continued)*

b) Financial reporting in hyperinflationary economy *(continued)*

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

c) Basis of Measurements

The consolidated financial statements have been prepared on the historical cost basis except for the financial assets and investment properties shown with their fair values and for the Group's Turkish entities having Turkish Lira functional currency as adjusted for the effects of inflation.

d) Functional and presentation currency

Çalık Holding determined its functional currency as Turkish Lira ("TL") as at 30 June 2018 and earlier. As of 1 July 2018, The Group's subsidiaries mainly operating in Energy and Construction sectors that are comprised significant part of Group's revenue has almost completed their projects in Turkiye and focused on foreign projects. In addition, the as at 1 July 2018, The Group changed its functional currency into USD in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates" due to intensification of the activities of the Group companies abroad and the changes in the dividend policies. The accompanying consolidated financial statements are presented in United States Dollar ("USD") except as otherwise indicated, financial information presented in USD has been rounded to the nearest thousand.

Financial statements prepared in US Dollars, which is the functional currency, have been translated into the reporting currency "TL" as described below;

As of 31 December 2023, balance sheet accounts for all currencies have been issued by T.C. The Central Bank (TCMB) has been converted into TL with the US Dollar buying rate of 1 USD = 29,4382 TL (31 December 2022: 1 USD = 18,6983 TL).

Profit or loss and other comprehensive income statements for the period ended 31 December 2023 for companies whose functional currency is other than TL have been converted to TL with an annual average of 1 USD = 23,7776 TL (31 December 2022: 1 USD = 16,5659 TL for all currencies).

Profit or loss and other comprehensive income statements for the period ended 31 December 2023 for companies whose functional currency is TL have been converted to TL with the US Dollar buying rate of 1 USD = 29,4382 TL. Since the Group's functional currency is USD, no changes have been made to the consolidated financial statements figures as of December 31, 2022. The consolidated TL financial statements prepared in accordance with TFRS were converted on 31 December 2022, the balance sheet was converted with the TCCB buying rate, and the profit or loss statement was converted with the annual average exchange rate.

The translation differences resulting from the above translations are shown in the "foreign currency translation differences" account under the Comprehensive Income and Reclassified to Profit or Loss account group.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements

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(Amounts expressed in thousands of USD unless otherwise stated.)

2 Basis of preparation *(continued)*

e) Significant accounting evaluations, estimates and assumptions

While preparing the consolidated financial statements, management made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the amounts of reported assets, liabilities, income and expenses. Actual amounts may vary from estimated amounts.

Estimates and associated assumptions are reviewed on an ongoing basis. Changes to estimates are accounted for prospectively.

Information about significant areas at estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the following notes:

- Note 3 (e) and (f) – Useful lives of property, plant and equipment and intangible assets
- Note 10 – Financial investments
- Note 12– Trade receivables and payables
- Note 16 - Prepayments and deferred revenue
- Note 21 – Investment property
- Note 25 – Derivatives
- Note 27 – Provisions
- Note 29 – Taxation
- Note 37 – Financial instruments – Fair values and risk management *(including fair value explanations)*

f) Comparative information and adjustment of prior period financial statements

The financial statements of the Group are prepared comparatively with the previous period in order to allow the determination of financial status and performance changes. Comparative information is reclassified when necessary and important differences are explained in order to comply with the presentation of the current period financial statements. The Group has made some classifications in the financial statements of the previous period in the current period. The nature and amounts of the classifications are described below.

	31.12.2022		
	Previously Reported	*Resclassified*	*Classifications*
Inventories	289.605	330.945	41.340
Investment property	86.250	189.964	103.714
Property, plant and equipment	390.848	245.794	(145.054)

Construction in progress which was shown under property, plant and equipment amounting to USD 103.714 and USD 41.340 are reclassified to investment property and inventories, respectively as of December 31, 2022.

g) The new standards, amendments and interpretations

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

Çalık Holding Anonim Şirketi and its Subsidiaries

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(Amounts expressed in thousands of USD unless otherwise stated.)

2 Basis of preparation *(continued)*

g) The new standards, amendments and interpretations *(continued)*

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

Çalık Holding Anonim Şirketi and its Subsidiaries

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(Amounts expressed in thousands of USD unless otherwise stated.)

2 Basis of preparation *(continued)*

g) The new standards, amendments and interpretations *(continued)*

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

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

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

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

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

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

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

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Çalık Holding Anonim Şirketi and its Subsidiaries

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(Amounts expressed in thousands of USD unless otherwise stated.)

2 **Basis of preparation** *(continued)*

g) ***The new standards, amendments and interpretations*** *(continued)*

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

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

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

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid.

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2 **Basis of preparation** *(continued)*

g) ***The new standards, amendments and interpretations*** *(continued)*

The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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

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

The following amendments to IAS 21 and IFRS 18 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

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

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

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

3 Significant accounting policies

a) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent company, Çalık Holding, its subsidiaries, joint arrangements and associates on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards are required to be exchanged for awards held by the acquiree's employees, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

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3 Significant accounting policies *(continued)*

a) Basis of consolidation *(continued)*

ii) Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain/loss arising is recognised directly in equity.

vi) Associates (Equity-accounted investees)

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

vii) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

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3 **Significant accounting policies** *(continued)*

a) Basis of consolidation *(continued)*

vii) Joint arrangements(continued)

- Joint venture (equity-accounted investees) – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method.

The accompanying consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In consolidation of operating results and financial positions of subsidiaries whose functional currency is other than USD, main consolidation transactions are made such as elimination of related party balances and transactions. But, a monetary asset (or liability) of related parties regardless of short-term or long-term except for monetary items which are part of net investment of the Group in its subsidiaries whose functional currency is different than USD) can not be eliminated with related party liability (or related party asset) without presenting results of fluctuation of foreign currencies in consolidated financial statements. Because, a monetary item provides obligation of translation of any currency to other currency and makes the Group exposed to gain or losses arising from fluctuation of foreign currencies. Correspondingly, these kind of foreign exchange differences are recognized in profit or loss of consolidated financial statements of the Group.

b) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

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3 **Significant accounting policies** *(continued)*

b) Foreign currency *(continued)*

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

an investment in equity securities designated as at FVOCIa financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective

— qualifying cash flow hedges to the extent that the hedges are effective.

— The following significant foreign exchange rates are applied as at 31 December 2023 and 31 December 2022 are as follows:

End of month	31 December 2023	31 December 2022
EUR / TL	32,5739	19,9349
USD / TL	29,4382	18,6983
EUR / USD	1,1065	1,0661
Cumulative average		
EUR / TL	25,7198	17,3775
USD / TL	23,7776	16,5659
EUR / USD	1,0817	1,0490

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

c) Financial instruments

Initial Recognition and measurement

At initial recognition Group classifies its financial assets in three categories as; financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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3 **Significant accounting policies** *(continued)*

c) ***Financial instruments*** *(continued)*

Subsequent measurement and classification

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

a. Financial assets measured at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit of loss:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and cash equivalents, trade receivables and other receivables.

b. Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

The Group's debt instruments measured at fair value through other comprehensive income include investments in listed instruments.

In the initial recognition of an equity investment that is not held for trading, the Group may irrevocably choose to present subsequent changes in fair value in other comprehensive income. This selection is made separately for each investment.

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3 **Significant accounting policies** *(continued)*

c) ***Financial instruments*** *(Continued)*

b. Financial assets measured at fair value through other comprehensive income (continued)

The accounting policies below apply to gains and losses from subsequent measurements:

Debt instruments measured at fair value through other comprehensive income	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
Equity instruments measured at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

c. Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its contractual rights to receive cash flows from the asset, or retains the contractual rights to receive the cash flows of the financial asset but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. When the Group has transferred its contractual rights to receive cash flows from an asset and neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement.

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3 **Significant accounting policies** *(continued)*

c) **Financial instruments** *(continued)*

c. ***Financial assets at fair value through profit or loss*** *(continued)*

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognised in two stages:

- 12-month ECL: For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months,
- Lifetime ECL: For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure.

For trade receivables, other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The expected credit losses were calculated based on a provision matrix that is based on the Group's historical credit loss experience, considering for forward-looking factors.

i) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- ***Financial liabilities at fair value through profit or loss***

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by TFRS 9. Gains and losses are recognised in the statement of profit or loss.

- ***Financial liabilities at amortised cost***

After initial recognition, borrowings and trade and other payables are subsequently measured at amortised cost using the effective inerest rate method. Gains and losses are recognised in the statement of profit or loss.

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3 **Significant accounting policies** *(continued)*

c) **Financial instruments** *(continued)*

c. ***Financial assets at fair value through profit or loss*** *(continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

ii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognised at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The derivative instruments of the Group mainly consist of foreign exchange forward contracts and currency/interest rate swap instruments. These derivative transactions, even though providing effective economic hedges under the Group risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the consolidated financial statements. The fair value changes for these derivatives are recognised in the consolidated income statement.

Service concession arrangements

Service concession arrangements are defined within scope of TFRIC 12 as those whereby a government or other body grants contracts for the supply of public services – operations such as roads, energy distribution, prisons or hospitals –to private operators. The Group's electricity distribution and meter reading service businesses are in the scope of service concession agreements.

Considering the Group's terms in the service concession arrangements, a financial asset model where the Group recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor has been applied, since the right to receive cash for the distribution and meter reading services are constituted through actual billing to subscribers where the distribution and meter reading service components of the billing are already specified or determinable through the regulated tariffs by EMRA.

The Group has measured the financial asset at fair value, with the effective interest method which is calculated by discounting estimated future cash receipts with regards to the compensation of TOR and the initial and annual capital expenditures made by the Group, through the expected life of the arrangement and set "Financial Asset Related to Concession Agreements" on the balance sheet and recognizes the revenue on an effective interest method as "Finance Income from Service Concession Arrangements"

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3 **Significant accounting policies** *(continued)*

c) **Financial instruments** *(continued)*

c ***Financial assets at fair value through profit or loss*** *(continued)*

Security deposit

According to the Article 26 of Electricity Market Customer Services Regulation, legal entities which have retail electricity sale licenses, can demand security deposits from their subscribers in order to deduct customers' debts in case of possible inability to pay energy consumption fee due to address change and/or cease of retail sale agreements or termination of retail sale agreements.

Security deposits received from current subscribers are recognised in the "payables to third parties" item at the adjusted values based on inflation applicable to reporting dates using Consumer Price Index ("CPI") rates. Security deposits valuation expenses and realised security deposit expenses are recognised as finance cost in profit or loss.

d) ***Repurchase transactions***

The Group enters into purchases/sales of investments under agreements to resell/repurchase substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognised. The amounts paid are recognised as "Receivables related to finance sector operations'' in the accompanying consolidated financial statements. The receivables are shown as collateralized by the underlying security.

Investments sold under repurchase agreements continue to be recognised in the consolidated statement of financial position and are measured in accordance with the accounting policy for either assets held for trading, held to maturity or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as funds from repo transactions presented under "Payables related to finance sector operations".

(e) ***Property, plant and equipment***

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. s

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- cost of materials and direct labor;
- any other costs directly attributable to bringing the asset to a working condition for its intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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3 **Significant accounting policies** *(continued)*

(e) ***Property, plant and equipment*** *(continued)*

i) Recognition and measurement *(continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognised in "Gain from investing activities" or "Loss from investing activities" under profit or loss.

ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

iii) Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iv) Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Description	***Year***
Buildings	50
Machinery and equipments	1-40
Vehicles	5-10
Furniture and fixtures	3-15
Other tangible assets	5-15
Leasehold improvements	2-50

Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease terms or their useful lives.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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3 Significant accounting policies *(continued)*

f) Intangible assets and goodwill

i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses (see accounting policy 3(j) ii). In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee.

ii) Other intangible assets

Other intangible assets of the Group mainly consist of licences for oil exploration, hydroelectric power generation, wind power generation and liquefied natural gas import, electricity distribution rights and computer software acquired by the Group, which have finite useful lives, and are measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

iii) Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated and brands, is recognised in profit or loss as incurred.

iv) Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortisation of service concession rights acquired by the Group is recognised in profit or loss on a straight-line basis over their respective concession periods.

Amortisation of electricity distribution rights is based on the fair value of the asset which is acquired through business combination under scope of TFRS 3 "Business Combinations". The remaining amortisation period for electricity distribution rights are 26 years which is the service concession period of YEDAŞ as it was acquired by ÇEDAŞ. Licences and other intangible assets including computer software are amortised between 10 and 50 years and 2 and 10 years, respectively.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

g) Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental income from other property is recognised as other income.

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(Amounts expressed in thousands of USD unless otherwise stated.)

3 Significant accounting policies *(continued)*

h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of trading goods and finished goods are based on the weighted average method and includes expenditure and other costs incurred in bringing them to their existing location and condition.

Cost of trading properties are determined on cost or deemed cost method by the entities operating in construction business. Trading properties comprised lands that are held for construction projects to sell and cost of buildings that are held for trading purposes.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

i) Construction contracts in progress / deferred revenue

Construction contracts in progress represent the gross unbilled amount expected to be collected from customers for contract work performed to date. Construction contracts in progress is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction contracts in progress is presented as "Due from customers for contract work" within trade receivables in the consolidated statement of financial position for all contracts in which the sum of costs incurred and recognised expected losses plus recognised profits exceed progress billings. If the sum of progress billings and recognised expected losses exceed cost incurred plus recognised profits, then the difference is presented as "Due to customers for contract work" within deferred income in the consolidated statement of financial position.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Revenue measurements are based on estimates that are revised as events and uncertainties are resolved. Cost and revenues may be revised based on variations to the original contract, penalties on delays, cost escalation clauses and other similar items. These revisions are recognised in the consolidated financial statements as they are incurred. Revenue incentive are recognised as revenue to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised to the extent of costs incurred that are probable of recovery. Costs are recognised as an expense as they are incurred.

Contract assets

It is used to monitor the assets defined as contract assets in TFRS 15. According to TFRS 15, contract assets are the right to receive the fee, in exchange for the goods or services that the business transfers to the customer, which is bound to another condition (for example, the future performance of the business), except that time has passed.

The total amount of the contract assets is shown separately in the statement of financial position. In addition, the companies divide the contract assets into sub-items according to the type of contract they are born (in the form of contract assets arising from ongoing construction and contracting works, contract assets arising from sales of goods and services, other contract assets).

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3 **Significant accounting policies** *(continued)*

i) ***Construction contracts in progress / deferred revenue*** *(continued)*

Contract Liabilities

It is used for monitoring the obligations defined as contractual obligation in TFRS 15. According to TFRS 15, the contractual obligation is the obligation of the business to transfer the goods or services to the customer in exchange for the amount collected (or entitled to be collected) from the customer.

Before a good or service is transferred to the customer, the contractual obligation arises if the customer has the right to pay the price or the entity has unconditional right to receive the price (in other words, a receivable).

The total amount of contractual obligations is shown separately in the statement of financial position. In addition, the companies divide their contractual obligations into sub-items according to the type of contract they are born (in the form of contractual obligations arising from ongoing construction and contracting works, contractual obligations from sales of goods and services, other contractual obligations).

j) ***Impairment***

i) Non-derivative financial assets

Policy applicable from 1 January 2018

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

— Financial assets measured at amortised cost;
— Debt investments measured at FVOCI; and
— Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

— Debt securities that are determined to have low credit risk at the reporting date; and
— Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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3 **Significant accounting policies** *(continued)*

j) ***Impairment*** *(continued)*

The Group considers a financial asset to be in default when:

— the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
— the financial asset is more than past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

— significant financial difficulty of the borrower or issuer;
— a breach of contract such as a default or being more than 730 days past due;
— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
— it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 730 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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3 Significant accounting policies *(continued)*

k) Assets held for sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment

losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

l) Employee benefits

i) Reserve for employee severance indemnity

Reserve for employee severance indemnity represents the present value of the estimated future probable obligation of the Group arising from the retirement of the employees of the Group's entities operating in Turkiye and calculated in accordance with the Turkish Labour Law. It is computed and reflected in the consolidated financial statements on an accrual basis as it is earned by serving employees. The computation of the liabilities is based upon the retirement pay ceiling announced by the Government. The ceiling amounts applicable for each year of employment were USD 1.190 and USD 1.068 (equivalent to TL 35.058,58 and TL 19.982,83 respectively) at 1 January 2023 and 2022, respectively.

TFRSs require actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. The total liability for employee severance benefit was calculated by an independent actuary based on past service cost methodology using the observerable statistical market data such as mortality, inflation and interest rates or retirement pay ceilings applicable to the relevant periods and assumptions derived from the specific historic date of the Group such as retention and employee turnover rates or salary increase rates.

Income ceiling calculation for the Group's entities holding electricity distribution and retail sale license per the service concession agreement is updated yearly in accordance with EMRA decision No. 2991 dated 28 December 2010 to compensate the expenditures (such as employee benefit costs) relevant to the operations performed under these licenses as they incurred. Accordingly, the employee severance indemnity amounting to USD 1.191 (31 December 2022: USD 918) had no effect on the Group's consolidated financial statements since the same amount will be compensated by the Government as an adjusting item in the following income ceiling calculation.

Actuarial gains/losses are comprised of adjustment of difference between actuarial assumptions and results and change in actuarial assumptions. Because of the adoption of IAS 19 (2011), all actuarial differences have to be recognised in other comprehensive income. However due to insignificance of the balances, the Group has recognised any actuarial differences on reserve for employee severance indemnity profit or loss.

Reserve for employee severance indemnity is not subject to any statutory funding.

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3 Significant accounting policies *(continued)*

l) Employee benefits *(continued)*

i) Reserve for employee severance indemnity

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due. The Group's banking subsidiary in Albania makes compulsory social security contributions that provide pension benefits for employees upon retirement. The local authorities are responsible for providing the legally set minimum threshold for pensions in Albania under a defined contribution pension plan.

ii) Defined benefit plans

The Group's banking subsidiary in Albania created a fully employer sponsored pension plan fund-Staff Support Program during 2002. The amount charged to this fund (SSP) was decided as 5 percent of yearly budgeted personnel salary expenses.

The amount due to employees based on the above plan would be grossed up by the interest that will accrue from the date the employees leave the Group's banking subsidiary in Albania until their retirement. It would be paid to employees only when they reach the Albanian statutory retirement age, in monthly instalments equal to a minimum of 75 percent of their state monthly pension until the accumulated fund for the employee is consumed.

Based on the Board of Directors resolution effective on 30 September 2010, the Group's banking subsidiary in Albania stopped the investment in this fund (SSP), by transforming it into the Staff Retention Credit Program (SRCP). The demographic changes in labour force during the last ten years and the employees' average age at 31, where 80 percent of employees are below the age of 40, has resulted in SSP not being attractive for most employees of the Group's banking subsidiary in Albania, as it can only be enjoyed at retirement. In contrast, SRCP will be more readily beneficial for all staff of the Group's banking subsidiary in Albania, as it will provide consumer and home loans with preferential terms. The entire due amount calculated for eligible employees in Staff Support Program has been frozen on the same date. The frozen amount due to change of SSP into SRCP on 30 September 2010 and the corresponding annual interest that will be gained by the investment in AAA sovereign bonds in the future until retirement age, is recorded as a liability by the Group's banking subsidiary in Albania.

iii) Vacation pay liability

Short-term employee benefit obligations are consisting of reserve for the vacation pay liability due to the earned and unused vacation rights of its employees of the Group's Turkish entities, and measured on an undiscounted basis and are recognised in profit or loss as the related service is provided.

m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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3 Significant accounting policies *(continued)*

m) Provisions (continued)

i) Provisions for EMRA regulations

In case of incompliance with the Electricity Market Act numbered 6446 which is effective after the publication on the Official Gazette dated 30 March 2013, numbered 28603 as well as with the regulations and communiqués promulgated by EMRA, EMRA sends a letter notifying the reason and related penalty fee with payment maturity to the Group. Although these penalties generally are paid in advance, some payments could be delayed until the final confirmation is reached in case of disagreement with EMRA. Based on the final conclusions of the legal department of the Group and assumption/analysis made by the Group management, required provision is made on the consolidated statement of the financial position when the notification is received.

ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

n) Revenue

General model for revenue recognition

TFRS 15 requires revenue recognition for all contracts with customers to follow the five-step approach to revenue recognition.

Step 1: Identifying the contract

A contract exists only if it is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved, and the parties are committed to their obligations.

If either contract were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Group accounts the contracts as a single contract.

Step 2: Identifying the performance obligations

The Group defines 'performance obligation' as a unit of account for revenue recognition. The Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation either a good or service that is distinct; or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. A contract may contain promises to deliver a series of distinct goods or services that are substantially the same. At contract inception, an entity determines whether the series of goods or services is a single performance obligation.

Step 3: Determining the transaction price

In order to determine the transaction price, the Group assesses how much consideration it expects to be entitled to by fulfilling the contract. In arriving at the assessment, the Group considers variable elements of consideration, as well as the existence of a significant financing component.

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3 Significant accounting policies *(continued)*

***n) Revenue** (continued)*

Significant financing component

The Group revises the promised amount of consideration for the effect of a significant financing component to the amount that reflects what the cash selling price of the promised good or service. As a practical expedient, the Group does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. In cases where advance for the services are received and the payment scheme is broadly aligned with the Group's performance throughout the period, the Group concludes that the period between performance and payment is never more than 12 months, therefore the expedient is applied.

Variable consideration

The Group identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties.

Step 4: Allocating the transaction price to performance obligations

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

Step 5: Recognition of revenue

The Group recognises revenue over-time if any of the following conditions is met:

- Customer simultaneously receives and consumes the benefits as the entity performs, or

- The customer controls the asset as the entity creates or enhances it, or

- Group's performance does not create an asset for which the entity has an use; and alternative there is a right to payment for performance to date.

For each performance obligation that is satisfied over time, an entity selects a single measure of progress, which depicts the transfer of control of the goods or services to the customer. The Group uses a method that measures the work performed reliably. The Group uses cost incurred to measure the progress towards to completion of the project where the input method is used and uses units transferred to measure the progress towards to completion of the project where the output method is used. If a performance obligation is not satisfied over time, then the Group recognises revenue at the point in time at which it transfers control of the good or service to the customer.

The Group recognises a provision in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits.

Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from investment property is recognised as other income from operating activities.

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3 **Significant accounting policies** *(continued)*

n) ***Revenue*** *(continued)*

Sale of trading properties

Revenue from the sale of trading properties during ordinary activities is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted, and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sale is recognised.

Transfers of risks and rewards vary depending on the terms of the sale contract. For the sale of trading properties, transfer occurs when the property has been delivered to and registered in the name of the buyer officially.

i) Energy business

The Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

The entity recognizes revenue based on the following main principles:

- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled

The Group recognizes revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- The entity can identify each party's rights regarding the goods or services to be transferred,
- The entity can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance,
- It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

At the contract inception date, the Group evaluates the goods and services committed to be provided to the customer based on the contract and identifies each commitment as a separate performance obligation. In addition to that, the Group determines whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

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3 **Significant accounting policies** *(continued)*

n) ***Revenue*** *(continued)*

When another party is involved in providing goods or services to a customer, the group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The Group is a principal if it controls a promised good or service before the group transfers the good or service to a customer. When a group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party and in such a position, the Group does not recognize the revenue of the consideration at gross amount.

The Group determines the transaction price in accordance with contract terms and customs of trade. Transaction price is the amount of consideration which is expected to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group allocates the transaction price to each performance obligation (or distinct goods or services), by reference to the consideration is considered to be deserved in return of the goods and services transferred to the customer. In this allocation, the Group allocates the transaction price determined in the contract to the standalone independent sales prices of these goods and services, where the Group identifies the prices of goods and services committed to be provided in the contract at the date of the inception of the contract and allocates the transaction price on these independent relative prices proportionally.

If the aggregate independent sales prices of the goods and services undertaken in the contract exceeds the transaction price in the contract, the customer has received discount on the purchase of goods or services. The Group allocates the discount to the all performance obligations retained in the contract proportionally except for the circumstances where there are observable inputs indicating that, the discount is provided for some but not all of the performance obligations.

Distribution part of the revenue is composed of distribution, meter reading services, transmission and theft and loss components. Distribution and meter reading service components are considered within the content of service concession arrangements due to the regulations of Energy Market Regulatory Authority ("EMRA"). Additionally, according to the Electricity Market Law, the Electricity Market Tariffs Communiqué and other related regulations, the Group's distribution, transmission and meter reading services are subject to revenue caps which cover operating expenses and investment requirements related to distribution and meter reading services. Moreover, transmission revenue is a complete pass-through of transmission costs as charged by Turkiye Elektrik İletim A.Ş. ("TEİAŞ"). These regulations guarantee revenue to the Group during the transition period regardless of the consumption level. The underbillings or overbillings made by the Group are adjusted by EMRA in the tariffs to be effective in two years.

Revenue, (excluding the distribution business) is recognized upon delivery of electricity or upon fulfilment of services. Delivery is deemed complete when the risk and rewards associated with ownership has been transferred to the buyer as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable. The Group recognizes retail revenue only from illumination customers due to the regulations of the EMRA announced after the legal unbundling. Revenue from the sale and delivery of electricity is measured at the fair value of the consideration received or receivable. The estimated value of the electricity supplied but not invoiced to the customers is considered for the measurement of revenue.

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3 **Significant accounting policies** *(continued)*

n) Revenue *(continued)*

i) Energy business (continued)

Distribution of electricity revenue

Invoices of the subscribers other than residential and commercial companies are issued monthly at the end of each month by the retail companies whereas the invoices of the residential subscribers are issued continuously during each month due to the high number of subscribers in this group. Commercial group subscribers are also issued continuously during the month due to the high number of customers in this group although the subscribers with high consumption level are billed at the end of the month. As a result, the estimated value of the electricity distributed including the theft and loss, but not invoiced to subscribers by the retail companies is considered for the measured revenue.

Due to the fact that the electricity could not be stored, the purchase and sales realizes simultaneously and accordingly revenue and cost of revenue are recognized at the transaction time. Monthly invoicing is made at the month ends and the Group management monitors closely at period ends and the delays of 5-10 days in electricity usage count do not have a significant impact on the accompanying financial statements. Revenue from the sale of electricity to subscribers is stated, net of returns. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the subscribers. Transfer of risk and rewards depends on the consumption of electricity by subscribers.

Service Concession Arrangements

Service concession arrangements are defined within scope of TFRIC 12 as those whereby a government or other body grants contracts for the supply of public services – operations such as roads, energy distribution, prisons or hospitals – to private operators. The Group's electricity distribution and meter reading service businesses are in the scope of service concession agreements.

Considering the Group's terms in the service concession arrangements, a financial asset model where the Group recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor has been applied, since the right to receive cash for the distribution and meter reading services are constituted through actual billing to subscribers where the distribution and meter reading service components of the billing are already specified or determinable through the regulated tariffs by EMRA.

The Group has measured the financial asset at fair value, with the effective interest method which is calculated by discounting estimated future cash receipts with regards to the compensation of TOR and the initial and annual capital expenditures made by the Group, through the expected life of the arrangement and set "Financial Asset Related to Concession Agreements" on the balance sheet and recognizes the revenue on an effective interest method as "Finance Income from Service Concession Arrangements".

Investment Income

Under the terms of contractual agreements covered by TFRS Comment 12, the Company acts as a service provider. It builds or renovates the infrastructure used to deliver a public service (construction or renovation services) and operates and maintains the infrastructure for a specified period (Operating services). The Company recognizes its revenue by TFRS 15, "Revenue from Contracts with Customers", for the services it performs. The company calculates the profit margin between the construction phase and active concession contracts by considering the difference between the cost of a base price and the actual cost by EMRA.

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3 **Significant accounting policies** *(continued)*

n) Revenue *(continued)*

i) Energy business (continued)

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest income related to service concession arrangements are recognized in accordance with Service Concession Arrangements ("TFRIC 12"). Interest income on receivable from concession arrangement is recognised on a time-proportion basis using the effective interest method.

Electricity retail revenue

Invoices of the subscribers other than residential and commercial companies are issued monthly at the end of each month by the retail companies whereas the invoices of the residential subscribers are issued continuously during each month due to the high number of subscribers in this group. Commercial group subscribers are also issued continuously during the month due to the high number of customers in this group although the subscribers with high consumption level are billed at the end of the month. As a result, the estimated value of the electricity distributed including the theft and loss, but not invoiced to subscribers by the retail companies is considered for the measured revenue.

In accordance with the relevant provisions of EMRA's regulation, electricity retail sale service is defined in Electricity Market Law and Electricity Market License Communiqué promulgated by EMRA as other services such as invoicing or collection provided to the customers excluding the sale of electricity and/or capacity, the services provided by companies holding retail sale licenses to consumers. Electricity retail sale service fee included in the invoices issued by the Group contains invoicing costs, consumer services costs, capital expenditures relevant to the electricity retail sale services. Electricity retail sale service fee is applied to all customers who purchase energy from the Group.

ii) Banking and finance business

Interest income / expense

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and commissions paid or received transaction costs, and discounts or premiums that are integral part of the effective interest rate. Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in "Revenue from finance sector operations" item in profit or loss.

Interest income and expense presented in profit or loss include the interest income on financial assets and liabilities at amortised cost on an effective interest rate basis.

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3 Significant accounting policies *(continued)*

n) ***Revenue*** *(continued)*

ii) Banking and finance business (continued)

Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income are recognised as the related services are provided. Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

Net trading income

Net trading income comprises gains less loss related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences.

iii) Telecommunication business

Revenues are recognised to the extent that it is probable that economic benefits will flow to the Group and their amount can be measured reliably. Revenues are stated net of discounts, allowances, and returns.

Services rendered

Revenues from services rendered are recognized in the profit or loss according to the stage of completion of the service and only when the outcome of the service rendered can be estimated reliably.

Monthly subscription fee

Revenue related to the monthly service fees is recognised in the month that the telecommunication service is provided.

Usage charges and value-added services fees

Call fees consist of fees based on airtime and traffic generated by the caller, the destination of the call and the service utilised. Usage charges are based on traffic, usage of airtime or volume of data transmitted for value added services, such as short message services, internet usage and data services. Revenues from usage charges and value-added services are recognised in the period when the services are provided. Unbilled revenues from the billing cycle dating to the end of each month are estimated based on traffic and are accrued at the end of the month.

Revenue from the sale of internet services through contracts for leased lines is recognized in the profit or loss over the course of the contract. Revenue from the sale of prepaid access internet cards and access mobile cards is recognized in profit or loss at the time of usage.

Traffic revenues from interconnection and roaming are reported gross of the amounts due to other telecom operators.

Revenues from prepaid airtime are recorded on the basis of the airtime used at the predefined prices per minute. Deferred revenues for unused airtime are recorded as “Deferred revenue” in the consolidated statement of financial position.

Sales of goods

Revenue from the sale of modems and mobile phones is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer (i.e. upon delivery of goods), recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

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(Amounts expressed in thousands of USD unless otherwise stated.)

3 Significant accounting policies *(continued)*

n) ***Revenue*** (continued)

iv) Other businesses

Revenue from the sale of goods during ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted, and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sale is recognised.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

v) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

o) Research and development costs

Expenditure on research activities is recognised in profit or loss when incurred.

p) Dividend income

Dividend income is recognised on the date that the Group’s right to receive payment is established. Dividend payables are recognised after the dividend distribution approval in the General Assembly.

r) Right-of-use assets and leases liabilities

i) Right-of-use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

a) the amount of the initial measurement of the lease liability,

b) any lease payments made at or before the commencement date, less any lease incentives received,

c) any initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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(Amounts expressed in thousands of USD unless otherwise stated.)

3 Significant accounting policies *(continued)*

r) Right-of-use assets and leases liabilities *(continued)*

ii) Lease liabilities (continued)

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. 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. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and low-value leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

s) Finance income and finance cost

Finance income comprises foreign currency gains (excluding those on trade receivables and payables), and gains on derivative instruments used for economic hedge for the foreign currency risk of the borrowings or interest rate risk exposures originating from the borrowings that are recognised in profit or loss (excluding other trading derivatives held by the banking subsidiaries of the Group). Interest income obtained from related parties for the funds provided is recognised as it accrues, using the effective interest method.

Finance cost comprises interest expense on borrowings and due to related parties for the funds received, foreign currency losses (excluding those on trade receivables and payables), and losses on derivative instruments used for economic hedge for the foreign currency or interest rate risk exposures originating from the borrowings that are recognised in profit or loss (excluding other trading derivatives held by the banking subsidiaries of the Group).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either other income or expense depending on whether foreign currency movements are in a net gain or net loss position by each entity of the Group.

t) Other income and expenses from operating activities

Except for banking and finance operations, other income from operating activities comprises interest income on time deposits that is recognised as it accrues in profit or loss, using the effective interest method, recoveries reversal from provision for doubtful receivables and inventories, rediscount gains on payables, foreign currency gains (excluding those on borrowings), change of fair value on service concession agreement and other operating income.

Except for banking and finance operations, other expenses from operating activities comprise commission expenses for letter of credits, provision expense for doubtful receivables and inventories, donations, rediscount losses on payables, foreign currency losses (excluding those on borrowings) and other operating expenses. Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position by each entity of the Group.

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3 Significant accounting policies *(continued)*

u) Income and losses from investing activities

Income from investing activities comprises gain on sale of property, plant and equipment and intangible assets, fair value gain of financial assets at fair value through profit or loss from the operations other than those held by finance sector entities of the Group, available for sale financial assets and financial assets at fair value through profit or loss, gain on derivative instruments (including other trading derivatives held by the finance sector entities of the Group), fair value gains on investment property and other income from investing activities.

Losses from investing activities comprises gain on sale of property, plant and equipment and intangible assets, fair value loss on investment property, fair value loss of financial assets at fair value through profit from the operations other than those held by finance sector entities of the Group or loss on derivative financial instruments (including other trading derivatives held by the finance sector entities of the Group) and other losses from investing activities.

v) Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements o the extent that the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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3 Significant accounting policies *(continued)*

v) Income tax (continued)

Deferred tax (continued)

The measurement of deferred tax 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. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Transfer pricing in Turkiye

Transfer pricing is disclosed in the 13th clause of the Corporate Tax Law under the heading "veiled shifting of profit" via transfer pricing. The application details are stated in the "general communiqué regarding veiled shifting of profits via transfer pricing" published on 18 November 2007.

If the taxpayer involves in transactions with related parties relating to trading of products or goods not performed within the framework of the principals regarding to pricing according to peers, then it will be considered that the related profits are shifted in a veiled way via transfer pricing. Such veiled shifting of profits via transfer pricing will not be deducted from tax assessment for the purposes of corporate tax.

The provisions concerning to the "thin capitalisation" are stated in the Article 12 of new corporate tax law issued by Ministry of Finance of Turkiye. According to the Article 12, if the borrowings obtained directly or indirectly from the shareholders of the companies or persons related to shareholders exceeds three times of the shareholders' equity of the company operating in Turkiye at any time during the related year, the exceeding portion of the borrowing will be treated as thin capital.

The financial borrowings were regarded as thin capitalisation provided with:

- The borrowings obtained directly or indirectly from the shareholders of the companies or persons related to shareholders
- Used for/in the entity
- Borrowings exceeds three times of the shareholders' equity of the company at any time during the related year.

w) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the CEO ("Chief Executive Officer") and BOD members to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

x) De-merger/ Spin off

Economically a de-merger represents a division of an entity into separate parts. The result of a de-merger is that the same shareholders own the same group of businesses; the shareholders structure and their ownership interests are identical both before and after the de-merger. In the absence of further guidance in TFRS, the Group has accounted the de-merger by recognising the book values.

y) Contingent assets and liabilities

If the inflows of the economic benefits to the Group are probable, contingent assets are disclosed in the notes to the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the consolidated financial statements in the period in which the change occurs.

Contingent liabilities are assessed continuously to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements.

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3 Significant accounting policies *(continued)*

z) Subsequent events

Subsequent events represent the events after reporting date comprising any event between the reporting date and the date of authorisation for the consolidated financial statements' issue to the benefit or loss of the entity. Conditions of subsequent events are as follows:

- to have new evidences of subsequent events as of reporting date (adjusting events); and

- to have evidences of related subsequent events occurred after reporting date (non-adjusting).

The Group adjusts its consolidated financial statements according to the new condition if adjusting subsequent events arise after the reporting date. If it is not necessary to adjust the consolidated financial statements according to subsequent events, these subsequent events must be disclosed in the notes to the consolidated financial statements.

aa) Statement of cash flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities reflect cash flows mainly generated from main operations of the Group. The Group presents the cash flows from operating activities by using the indirect method such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investment activities reflect cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group.

Cash flows relating to financing activities reflect sources of financial activities and payment schedules of the Group.

Cash and cash equivalents comprise cash on hand and demand deposits, investment funds, reverse repo receivables and other bank deposits whose maturities are three months or less from date of acquisition. Any restricted cash and cash equivalents that are not ready for the Group's use as at the reporting date, are excluded from the sum of the cash and cash equivalent in the consolidated statement of cash flows.

ab) Related parties

Parties are considered related to the Group if:

(a) Directly, or indirectly through one or more intermediaries, the party:

(i) controls, is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);

(ii) has an interest in the Group that gives it significant influence over the Group; or

(iii) has joint control over the Group;

(b) the party is an associate of the Group;

(c) the party is a joint venture/operation in which the Group is a venturer;

(d) the party is member of the key management personnel of the Group and its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e);

(g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Several transactions are entered into with related parties in the normal course of business.

(Amounts expressed in thousands of USD unless otherwise stated.)

4 Acquisition and disposals of subsidiary and non-controlling interest

4.1 Acquisitions of non-controlling interests without change in control during 2023

Kentsel Dönüşüm İnşaat A.Ş.

Based on the Extraordinary General Assembly Decision on April 18, 2023, Kentsel Dönüşüm Insaat Anonim Şirketi merged with Gap İnşaat Yatırım ve Dış Ticaret A.Ş.

4.2 Acquisitions of non-controlling interests with change in control during 2023

Artmin Madencilik Sanayi Ve Ticaret A.Ş.

Artmin Madencilik Sanayi ve Ticaret A.Ş. (formerly AMG Mineral Mining Joint Stock Company was established in Ankara in 2011 in order to obtain exploration and operation licenses for all kinds of mines, to purchase and sell all kinds of mine sites, to operate mine sites and to participate in mining tenders. Artmin Madencilik started to be controlled by the group companies Lidya Madencilik in 2015 and the ownership rate is 60%.

On May 8, 2023, Alacer Gold Corporation and Lidya Madencilik reached an agreement to acquire an up to 40% interest from the Company in, and operational control of, the Hod Maden gold-copper development project, located in northeastern Türkiye (the "Transaction"). In 2023, upon closing of the Transaction, Alacer Gold Corporation made a 120M USD cash payment to the Company to acquire a 10% interest in Artmin. Alacer Gold Corporation has the option to acquire an additional 30% interest in Artmin from the Company for 120M USD in structured payments tied to the completion of project construction spending milestones. Additionally, Alacer Gold Corporation will make contingent payments to the Company including 30M USD in milestone payments payable in accordance with an agreed upon schedule beginning at the start of construction and ending on the first anniversary of commercial production and 84M USD payable upon the delineation of an additional 500,000 gold equivalent ounces of mineral reserves at the Hod Maden project in excess of the project's current mineral reserves and mineral resources. The Company has changed its consolidation method from full consolidation to equity method since the Company has lost control after sale of 10% of the shares.

4.3 Acquisitions of non-controlling interests without change in control during 2022

Polimetal Mineral Madencilik Sanayi ve Ticaret Anonim Şirketi

Lidya Madencilik Sanayi ve Ticaret A.Ş., based on the 31 December 2022 balance sheets with the facilitated merger method in December 2022 merged in.

Oniki Teknoloji A.Ş.

E-post Elektronik Perakende Otomasyon Satış Ticaret A.Ş. on 13 May 2022, based on the simplified merger method and 30 June 2022 balance sheets merged in.

4.4 Acquisitions of non-controlling interests with change in control during 2022

Aktif Ventures Teknoloji ve Pazarlama Anonim Şirketi

Aktif Ventures Teknoloji ve Pazarlama Anonim Şirketi was transferred to the investment fund in March 2022.

Çalık Alexandria

Çalık Denim company transferred its control in Çalık Alexandria to Gap Pazarlama A.Ş, one of Çalık Alexandria's other partners, on January 1, 2022 and did not participate in the capital increase in 2022.

Anateks Anadolu Tekstil Fabrikaları A.Ş.

Anateks Anadolu Tekstil Fabrikaları A.Ş. was transferred to Gap Pazarlama A.Ş on 1 December 2022.

5 Business acquisitions

Acquisition of Cetel Telekom İletişim Firm by 4IG Nyılvanosan Mukodo

Cetel Telekom signed a contract for sale of shares through which Cetel Telekom sells to 4IG NYILVANOSAN MUKODO RESZVENYTARSASAG ("4iG"), its shares in Albtelecom, which constitutes 80,27% of the entire share capital of the Company. 80.27% of Cetel Telekom's shares were transferred to 4iG, with the closing date on March 4, 2022, within the scope of the agreement between CETEL TELEKOM İLETİŞİM SANAYİ VE TİCARET ANONİM ŞİRKETİ as Seller, 4iG as Buyer and ÇALIK HOLDİNG ANONİM ŞİRKETİ as Guarantor.

	28 February 2022
Transferred price	--
Cash and cash equivalents of the subsidiary sold	(1.539)
Cash outflows related to sales	**(1.539)**

As of February 28, 2022, the fair values of the identifiable net assets and liabilities of Albtelecom SH.A are as follows:

	28 February 2022 (*)
Current assets	
Cash and cash equivalents	1.539
Trade receivables	7.141
Other receivables	508
Receivables related to customer contracts	238
Inventories	2.936
Prepayments	2.355
Current tax assets	745
Other current assets	101
Non- current assets	--
Other receivables	176
Property, plant and equipment	167.584
Right of use assets	23.721
Intangible assets	17.925
Total assets	**224.969**
Short term liabilities	
Short term loans and borrowings	9.828
Short term portion of long term loans and borrowings	4.001
Trade payables	22.493
Payables related to employee benefits	751
Other payables	3.644
Deferred revenue	469
Short term provisions	622
Other short term liabilities	583
Long term liabilities	--
Long term loans and borrowings	104.803
Other payables	34.685
Deferred revenue	2.179
Long term provisions	905
Deferred tax liabilities	5.723
Total liabilities	**190.686**
Total identifiable net assets/liabilities	**34.283**
Translation difference	**(30.484)**
Total identifiable net assets/liabilities	**3.799**
Sales price	**--**
Total sales loss	**3.799**
Ownership rate	**80,27%**
Total sales loss reflected in the profit and loss statement	**3.049**

(*) Since the share transfer of Albtelecom took place on 4 March 2022 and the income statement amount for the 28 February-4 March 2022 period is insignificant, the income statement dated 28 February 2022 has been consolidated.

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5 Business acquisitions *(continued)*

Acquisition of Anateks Anadolu Tekstil Firm by Gap Pazarlama Anonim Şirketi

On 1 December 2022, Gap Pazarlama company purchased the shares of Anateks Anadolu Tekstil Companies free of charge. As of the merger date, no payment has been made for the shares of Anateks, and USD 18.166 (TL 338.150.276), which is calculated over the net assets of the company at the merger date, has been accounted for as impairment.

	1 December 2022
Transferred price	--
Cash and cash equivalents of the subsidiary sold	(98)
Cash outflows related to acquisitions	**(98)**

	1 December 2022
Current assets	
Cash and cash equivalents	99
Trade receivables	--
Due from shareholders	418
Inventories	6.688
Deferred expenses and other receivables	382
Other current assets	94
Non- current assets	
Property, plant and equipment	1.791
Total assets	**9.472**
Short term liabilities	
Trade payables	26.295
Other short term liabilities	12
Long term liabilities	--
Deferred tax liabilities	1.330
Total liabilities	**27.637**
Total identifiable net assets/liabilities	**18.165**
Ownership rate	**100%**
Subsidiary net asset	**18.165**
Goodwill impairment (note 34)	**18.165**

6 Discontinued operation and disposal group held for sale

The Group reclassified assets and liabilities of Çalık Alexandria operating in textile sector as "Assets held for sale" as the Group plans to dispose its production and retail facilities of this subsidiary. All assets and liabilities of this subsidiary except the cash and cash equivalents have been classified as "Assets held for sale" and "Liabilities held for sale" in the consolidated financial statements, respectively. In addition, properties acquired as a result of legal proceedings of uncollectable loans and receivables of banking sector operations have been re-presented under "Assets held for sale''.

As at 31 December 2023, assets including those of discontinued operations are USD 60.057 (31 December 2022: USD 41.684), respectively, and details are as follows:

Assets held for sale	31 December 2023	31 December 2022
Property, plant and equipment (*)	60.057	41.684
	60.057	**41.684**

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6 Discontinued operation and disposal group held for sale *(continued)*

(*) Tangible fixed assets include real estate held for sale acquired in return for trade receivables in the marketing sector amounting to USD 1.044 (December 31, 2022: USD 1.044) and real estate acquired as a result of legal follow-up of loans and receivables in the banking sector amounting to USD 59.013 (December 31, 2022: USD 40.640). As of December 31, 2023, there are no assets and liabilities held for sale in the textile sector (December 31, 2022: None.)

7 Operating segments

The Group has six reportable segments, as described below, which are largely organised and managed separately according to the nature of products and services provided, distribution channels and profile of customers.

Assets, liabilities, profit and measurement of financial results of the segments are dependent to accounting policies of the Group. Segment operating profit, assets and liabilities consist of items directly belonging to these segment or items that can be distributed fairly.

Group's main reportable operating segments are as follows:

Energy: Entities in energy segment operate in sale of electricity, operation of natural gas and crude oil resources, maintenance and repair services, exploration-production of these resources and sale and transportation of these resources to international markets.

Construction: Entities in construction segment are operating in construction, contracting and decoration businesses both within Turkiye and abroad. In addition, these entities are managing mining of all kinds of minerals, marble, lime, clay, coal and stone as long as the necessary permits are granted and trading of marble, store cutting machines with its spare parts, ceramic floor and wall tiles both within the country and abroad. These entities are also providing services for land development and project development services for urban renewal, office residential and housing markets.

Textile: Entities in textile segment mainly deal with production and trading activities of yarn, texture and ready wear besides providing consulting services related to importation and exportation of cotton.

Marketing: Entities in marketing segment mainly supplies goods used in the production and the domestic or foreign projects carried out mainly by the Group entities.

Mining: Entities in the mining division mainly deal with engages in exploration activities for metal and mineral products, investing in mining companies, developing mining assets and operating mine sites, purchasing and selling mining licenses and mining sites, and participating in mining tenders.

Banking and finance: Entities in banking and finance segment mainly provides commercial and investment banking, financial leasing, insurance, project financing, other financial services, trading of marketable securities and credit financial services.

Other: Entities in other segment mainly engage in electronic fee collection, organisation, transportation energy licence procurement and various services.

The Group management prepares segment reporting in accordance with same policies applied to the consolidated financial statements as at and for the period ended 31 December 2022.

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7 Operating segments (continued)

The following information was prepared according to the accounting policies applied for subsidiaries, associates, joint ventures and joint operations.

31 December 2023	Energy	Construction	Textile	Marketing	Mining	Banking and Finance	Other	Elimination	Total
Revenue	1.564.425	262.442	155.655	52.233	73.628	856.720	61.261	(138.449)	2.887.915
Gross profit	332.852	38.699	30.329	4.773	28.840	497.950	33.910	(84.121)	883.232
Other income/(expenses), net	(151.228)	(29.577)	(1.825)	(8.532)	(35.033)	(288.939)	(54.916)	(430)	(570.480)
Results from operating activities	**181.624**	**9.122**	**28.504**	**(3.759)**	**(6.193)**	**209.011**	**(21.006)**	**(84.551)**	**312.752**
Gains /(loss) from investing activities	(2.033)	5.613	(2.727)	52	4.387	3.649	256.661	(213.375)	52.227
Share of profit/(loss) of equity accounted investees	114.331	--	657	--	(3.642)	(2.584)	--	(657)	108.105
Interest expense	(25.800)	(17.827)	(20.742)	(3.233)	(5.005)	(320)	(17.577)	25.410	(65.094)
Finance income/(expenses), net	(1.025)	36.440	(32.146)	6.366	3.856	(2.310)	10.840	(2.566)	19.455
Consolidated income/(loss) before tax	**267.097**	**33.348**	**(26.454)**	**(574)**	**(6.597)**	**207.446**	**228.918**	**(275.739)**	**427.445**
Tax benefit/(expense)	45.412	(6.193)	(7.348)	1.838	(26.492)	(40.870)	(8.309)	(71.690)	(113.652)
Net profit/(loss) for the period	**312.509**	**27.155**	**(33.802)**	**1.264**	**(33.089)**	**166.576**	**220.609**	**(347.429)**	**313.793**

	Energy	Construction	Textile	Marketing	Mining	Banking and Finance	Other	Elimination	Total
Segment assets	2.025.925	928.091	297.861	103.282	423.449	9.037.339	1.164.867	(1.429.474)	12.551.340
Segment liabilities	(870.869)	(576.020)	(178.254)	(38.123)	(88.380)	(7.988.014)	(145.707)	395.290	(9.490.077)
Capital expenditure	28.156	2.042	7.060	460	18.525	43.250	40.156	--	139.649
Depreciation and amortization (*)	(25.984)	(3.933)	(13.419)	(1.379)	(17.113)	(32.697)	(2.820)	(787)	(98.132)

(*) Additions and depreciation related to right of use assets are not included.

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7 Operating segments (continued)

2022	Energy	Construction	Textile	Marketing	Mining	Banking and finance	Others	Eliminations	Total
Revenue	1.373.601	192.312	222.858	81.624	57.521	702.431	87.600	(138.919)	2.579.028
Gross profit	309.212	25.331	59.898	13.160	24.250	446.184	37.213	(56.452)	858.796
Other income/(costs), net	(69.991)	(21.176)	(8.199)	(14.161)	(11.610)	(100.227)	(47.962)	15.863	(257.463)
Results from operating activities	**239.221**	**4.155**	**51.699**	**(1.001)**	**12.640**	**345.957**	**(10.749)**	**(40.589)**	**601.333**
Gain /(loss) from investing activities	45.307	58.635	5.400	(20.412)	136.711	(5.947)	125.056	(108.472)	236.278
Share of the after tax to profit/(loss) of equity accounted	26.335	--	2.847	--	(1.170)	122	--	(2.847)	25.287
Interest expense	(7.002)	(28.470)	(23.547)	(5.234)	(2.734)	(107)	(28.118)	20.703	(74.509)
Other finance income/(cost), net	(11.931)	50.777	(20.020)	6.467	57.371	(33.651)	23.173	(28.804)	43.382
Consolidated profit / (loss) before tax	**291.930**	**85.097**	**16.379**	**(20.180)**	**202.818**	**306.374**	**109.362**	**(160.009)**	**831.771**
Income tax benefit / (expense)	58.913	(3.628)	35.691	203	3.600	(65.531)	(339)	110	29.019
Net profit/(loss) for the year	**350.843**	**81.469**	**52.070**	**(19.977)**	**206.418**	**240.843**	**109.023**	**(159.899)**	**860.790**

	Energy	Construction	Textile	Marketing	Mining	Banking and finance	Other	Eliminations	Total
Segment assets	1.600.336	939.748	249.553	112.802	522.856	8.183.711	1.112.004	(1.428.790)	**11.292.220**
Segment liabilities	(795.194)	(605.177)	(169.719)	(45.729)	(64.386)	(7.277.641)	(289.771)	421.949	**(8.825.668)**
Capital expenditure (*)	124.827	1.303	3.198	39	15.842	27.275	11.317	--	**183.801**
Depreciation and amortization (*)	(11.702)	(4.545)	(5.453)	(616)	(10.500)	(13.627)	(3.386)	(2.040)	**(51.869)**

(*) Additions and depreciation related to right of use assets are not included.

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Çalık Holding Anonim Şirketi and its Subsidiaries

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7 Operating segments *(continued)*

Distribution of the non-current assets and revenue balances by geographic divisions where the Group operates in, are as follows:

	2023	2022
Revenue		
Turkiye	1.788.542	1.629.007
Albania	278.198	202.662
Dubai	263.620	196.617
Turkmenistan	214.724	95.772
Uzbekistan	150.977	4.680
Other	191.854	450.290
Total	**2.887.915**	**2.579.028**
Non-current Assets		
Albania	3.604.479	3.302.547
Turkiye	1.708.732	1.624.498
Dubai	322.661	327.004
Uzbekistan	136.341	196.548
Turkmenistan	24.964	18.644
Other	75.366	56.856
Total	**5.872.543**	**5.526.097**

8 Related party balances

As explained in Note 3, the joint ventures and associates of the Group have been accounted for using the equity method in the consolidated financial statements. Accordingly, the transactions of Group's subsidiaries with joint ventures and the balances from joint ventures and associates are not subject to elimination.

Related party balances

As at 31 December, the Group had the following balances outstanding from its related parties:

2023	Shareholders	Associates	Joint ventures	Other	Total
Other receivables (*)	354.603	2.049	13.215	103	369.970
Trade receivables	--	37.981	3.642	126.048	167.671
Financial Investments	--	28.259	--	--	28.259
Receivables related to financial sector operations	--	--	--	14.404	14.404
Prepaid expenses	--	--	--	2.217	2.217
Trade payables	(76)	(55)	(635)	(959)	(1.725)
Other payables	(2.395)	--	--	--	(2.395)
Payables related to finance sector operations	(167)	(186)	(4.314)	(15.638)	(20.305)
Borrowings	--	(28.259)	--	--	(28.259)
Total	**351.965**	**39.789**	**11.908**	**126.175**	**529.837**

Çalık Holding Anonim Şirketi and its Subsidiaries

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8 Related party balances *(continue)*

2022	Shareholders	Associates	Joint ventures	Other	Total
Other receivables (*)	378.630	48	2.352	1.691	382.721
Trade receivables	--	32.732	442	129.868	163.042
Financial Investments	--	135.294	--	--	135.294
Receivables related to financial sector operations	--	--	--	7.890	7.890
Other payables	--	--	--	(10)	(10)
Trade payables	--	247	(30)	(4.848)	(4.631)
Payables related to finance sector operations	(281)	(319)	(3.693)	(22.091)	(26.384)
Borrowings	(27)	(135.294)	--	(1.059)	(136.380)
Total	**378.322**	**32.708**	**(929)**	**111.441**	**521.542**

(*) As of December 31, 2023, USD 320.000 of the other receivables from the partners (31 December 2022: USD 320.000) consists of the receivables of GAP İnşaat Dubai FZE from Delta Netherlands B.V.

No impairment losses have been recognised against balances outstanding as at 31 December 2023 (31 December 2022: None) and no specific allowance has been made for impairment losses on balances with the related parties.

As at 31 December, the Group had the following transaction with its related parties:

2023	Shareholders	Associates	Joint ventures	Other	Total
Revenue(*)	71	13.137	5.074	1.033	19.315
Cost of sales	(9)	(1.975)	(1.262)	(489)	(3.735)
General and administrative expenses	(117)	(9)	(27)	(173)	(326)
Selling, marketing and distribution expenses	--	--	--	(27)	(27)
Income from investment activities	(13.695)	146	13.519	120.464	120.434
Income / (Expense) from other operations	(1.166)	3.016	1.331	3	3.184
Income/(expense) from financing activities	362	(289)	(1)	(49)	23
Total	**(14.554)**	**14.026**	**18.634**	**120.762**	**138.868**

2022	Shareholders	Associates	Joint ventures	Other	Total
Revenue(*)	16	36.479	1.900	679	39.074
Cost of sales	(14)	(3.960)	(322)	(405)	(4.701)
General and administrative expenses	--	--	(17)	(220)	(237)
Selling, marketing and distribution expenses	--	--	(3)	(58)	(61)
Income from investment activities	--	30.963	10.776	124.202	165.941
Income / (Expense) from other operations	--	12	241	8.724	8.977
Income/(expense) from financing activities	338	(3.715)	--	15	(3.362)
Total	**340**	**59.779**	**12.575**	**132.937**	**205.631**

(*) As of December 31, 2023, USD 120.000 of the income from investment activities consists of the sale amount of 10% of the shares of Artmin Mining Industry and Trade Inc.

Transactions with key management personnel

On a consolidated basis, key management costs included in general and administrative expenses for the year ended 31 December 2023 amounted to USD 38.918 (2022: USD 23.532).

9 Cash and cash equivalents

At 31 December, cash and cash equivalents comprised the following:

2023	Finance (*)	Non-finance (**)	Total
Cash on hand	116.156	1.594	**117.750**
Cash at banks	525.579	192.634	**718.213**
-Demand deposits	*366.764*	*142.935*	***509.699***
-Time deposits	*158.815*	*49.699*	***208.514***
Balances at central bank (excluding statutory reserve)	128.106	--	**128.106**
Other cash and cash equivalents (***)	155.246	247	**155.493**
Cash and cash equivalents	**925.087**	**194.475**	**1.119.562**
Restricted amounts	(39.031)	(5.367)	(44.398)
Cash and cash equivalents in the consolidated statement of cash flows	**886.056**	**189.108**	**1.075.164**

2022	Finance (*)	Non-finance (**)	Total
Cash on hand	95.992	384	**96.376**
Cash at banks	675.486	115.481	**790.967**
-Demand deposits	*352.762*	*57.922*	***410.684***
-Time deposits	*322.724*	*57.559*	***380.283***
Balances at central bank (excluding statutory reserve)	80.188	--	**80.188**
Other cash and cash equivalents (***)	59.815	16.256	**76.071**
Cash and cash equivalents	**911.481**	**132.121**	**1.043.602**
Restricted amounts	(45.818)	(14.088)	(59.906)
Cash and cash equivalents in the consolidated statement of cash flows	**865.663**	**118.033**	**983.696**

(*) Finance represents the Group's entities operating in banking and finance business.

(**) Non-finance represents the Group's entities operating in businesses other than banking and finance.

(***) As of 31 December 2023, other cash and cash equivalents mainly consist of liquid funds to USD 1,6 (31 December 2022: USD 16.154), credit card receivables amounting to USD 2.020 (31 December 2022: USD 572), money in transit amounting to none (31 December 2022: USD 119) and other cash and cash equivalents USD 524 (31 December 2022: USD 388). As of 31 December 2023, repo transactions is USD 152.947 (31 December 2022: 58.828)

As of 31 December 2023, the Group's cash and cash equivalents amounting to USD 44.398 (31 December 2022: USD 59.906) are blocked and therefore this balance cannot be used in daily activities.

Mandatory restricted account amount resulting from the Group's banking activities in Albania and Turkiye is USD 39.030 (31 December 2022: USD 45.818). As collateral for the loans used, USD 285 (31 December 2022: USD 6.155) is kept mandatory in domestic banks, and USD 4 (31 December 2022: USD 7) is kept blocked by the court based on expropriation lawsuits. USD 52 of the remaining amount (31 December 2022: USD 2.811) is kept as a cash guarantee given to Istanbul Takas ve Saklama Bankasi Anonim Şirketi for the electricity purchased from EPIAŞ. Based on the relevant contracts for engineering services, procurement transactions and construction project ("MTI"), the balance in banks in Turkiye is USD 5.027 (31 December 2022: USD 5.114).

The foreign currency risk that the Group is exposed to for cash and cash equivalents is explained in Note 37.

Çalık Holding Anonim Şirketi and its Subsidiaries

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10 Financial investments

At 31 December, financial investments comprised the following:

	2023		
	Current	Non-current	Total
Financial assets at FVTOCI	1.164.375	1.280.813	2.445.188
Financial assets at FVTPL (*)	343.884	183.263	527.147
Financial assets at amortised costs	555.799	908.484	1.464.283
Total	**2.064.058**	**2.372.560**	**4.436.618**

	2022		
	Current	Non-current	Total
Financial assets at FVTOCI	1.065.850	1.392.333	2.458.183
Financial assets at FVTPL (*)	264.979	414.753	679.732
Financial assets at amortised costs	251.080	657.985	909.065
Total	**1.581.909**	**2.465.071**	**4.046.980**

(*) As at 31 December 2023 and 2022, equity securities in Anagold Madencilik Sanayi ve Ticaret Anonim Şirketi which is classified as equity securities at fair value through profit or loss were valued for the consolidated financial statements. These investments are valued periodically by an independent valuation firm by using discounted cash flow method. As at 31 December 2023, an increase in fair value for this investment amounting to USD 110.696 (31 December 2022 USD 10.745) has been recognised under "Gain from investing activities" in profit or loss due to valuation of equity securities at fair value through profit or loss after in the tax effect.

As of the reporting date, 50 basis point increase/decrease in the discount rate used in the valuation of discounted cash flows of the financial asset at fair value through profit or loss would have decreased/increased the profit before tax by USD 2.076 / USD 1.973 (31 December 2022: USD 3.913 / USD 4.840), respectively.

Financial assets at FVTOCI and ve Financial assets at FVTPL

As at 31 December, financial assets at FVTOCI and ve financial assets at FVTPL comprised the following:

	2023	2022
	Carrying amount	Carrying amount
Financial investments of finance sector companies' entities		
Public sector bonds, notes and bills	1.971.467	2.021.342
Private sector bonds, notes and bills	495.076	582.316
Investment funds	264.294	138.594
Equity securities – listed	20.748	63.867
Asset backed securities and lease certificates	34.574	50.193
Other	77.435	44.911
Equity securities – non-listed		
Anagold	92.800	226.800
Bursagaz Bursa Şehiriçi Doğal Gaz Dağıtım Ticaret ve Taahhüt Anonim Şirketi	5.022	5.263
Kayserigaz Kayseri Doğalgaz Dağıtım Pazarlama Ticaret Anonim Şirketi	7.944	4.428
Other	2.975	201
Total	**2.972.335**	**3.137.915**

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10 Financial investments *(continued)*

Financial assets measured at cost that are not traded in an active market

As at 31 December 2023, investments in equity securities amounting to USD 2.975 (31 December 2022: USD 201) are measured at cost less impairment, if any, as these equity securities are not traded in stock exchange and have no quoted market price, and therefore their fair value cannot be reliably estimated since there is significant variability in the range of reasonable fair value estimates and the probabilities of the various estimates within the range cannot be assessed reasonably.

As at 31 December financial assets at amortised costs comprised the following:

	31 December 2023 Carrying Amount	31 December 2022 Carrying amount
Public sector bonds, notes and bills	960.225	390.614
Private sector bonds, notes and bills	459.255	444.094
Asset backed securities and lease certificates	19.743	68.858
Other	25.060	5.499
Total	**1.464.283**	**909.065**

The movements in financial investments during the year ended 31 December 2023 were as follows:

	Financial assets at FVTOCI	*Financial assets at amortised costs*	*Financial assets at FVTPL*
At 1 January 2023	**2.458.183**	**909.065**	**679.732**
Additions through purchases	1.954.500	882.590	472.996
Fair value gains/ (losses)	9.511	6.122	(120.132)
Disposals (sale and redemption)	(1.593.120)	(866.812)	(405.695)
Impairment	10.630	(3.981)	--
Foreign currency translation differences	(394.516)	537.300	(99.754)
At 31 December 2023	**2.445.188**	**1.464.284**	**527.147**

The movements in financial investments during the year ended 31 December 2022 were as follows:

	Financial assets at FVTOCI	*Financial assets at amortised costs*	*Financial assets at FVTPL*
At 1 January 2022	**2.696.451**	**279.795**	**465.934**
Additions through purchases	1.240.413	774.762	1.072.857
Fair value gains/ (losses)	848.572	(118)	10.745
Disposals (sale and redemption)	(2.068.300)	(234.154)	(804.705)
Impairment	--	(9.220)	(11)
Foreign currency translation differences	(258.953)	98.000	(65.088)
At 31 December 2022	**2.458.183**	**909.065**	**679.732**

The Group's exposure to credit, currency and interest rate risks related to investment securities are disclosed in Note 37.

Çalık Holding Anonim Şirketi and its Subsidiaries

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11 Financial assets related to concession agreements

As at 31 December, financial assets related to concession agreements comprised the following:

	2023	2022
Current financial assets related to concession agreements	126.069	61.989
Non-current financial assets related to concession agreements	161.717	190.745
Total	**287.786**	**252.734**

Movements of Financial assets related to concession agreements for the years ended 31 December were as follows:

	2023	2022
Financial asset at the beginning of the period	**252.734**	**173.480**
Investments during the year	84.205	63.313
Collections	**(81.845)**	**(69.969)**
Principal collections	*(51.034)*	*(43.509)*
Financial income collections	*(30.811)*	*(26.460)*
Financial income	159.383	152.339
Translation difference	(126.691)	(66.429)
End of period financial asset	**287.786**	**252.734**

As at 31 December, the maturity breakdown of the financial assets related to concession agreements:

	2023	2022
Up to 1 year	126.069	61.989
Up to 1 - 3 years	120.287	92.144
Up to 3 - 5 years	31.857	21.258
Over 5 years	9.573	77.343
Total	**287.786**	**252.734**

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12 Trade receivables and payables

Trade receivables

Short-term trade receivables

As at 31 December, short-term trade receivables comprised the following:

	2023	2022
Due from related parties	167.671	161.382
Due from third parties	253.225	225.950
Total	**420.896**	**387.332**

As at 31 December, short-term trade receivables comprised the following:

	2023	2022
Accounts receivables	404.349	359.923
Doubtful receivables	31.145	29.124
Notes receivables (*)	16.309	25.016
Postdated cheques received	34	1.969
Other trade receivables	241	514
Subtotal	**452.078**	**416.546**
Allowances for doubtful trade receivables (-)	(31.145)	(29.124)
Discount on trade receivables (-)	(37)	(90)
Total	**420.896**	**387.332**

(*) As of 31 December, USD 14.387 of notes receivable belongs to Çalık Denim (31 December 2022: USD 21.019), USD 1.125 belongs to Gap Pazarlama (31 December 2022: USD 1.915) and USD 797 consists of bills purchased within the scope of Gap İnşaat's commercial activities (31 December 2022: USD 2.082).

Movements of allowance for doubtful receivables for the year ended at 31 December were as follows:

	2023	2022
Balance at 1 January (previously reported)	**29.124**	**54.216**
Inflation effect	5.841	--
Balance at 1 January (revised)	**34.965**	**54.216**
Allowance for the period	18.727	6.305
Foreign currency translation difference	(15.962)	(7.923)
Addition of business acquisition	10	--
Collections (-)	(1.021)	(702)
Canceled allowance for the period (-)	(5.574)	(5.628)
Disposals from the scope of consolidation	--	(17.144)
Balance at 31 December	**31.145**	**29.124**

Çalık Holding Anonim Şirketi and its Subsidiaries

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12 Trade receivables and payables *(continued)*

Long-term trade receivables

As at 31 December long-term trade receivables comprised the following:

	2023	2022
Due from related parties	--	1.660
Due from third parties	27.086	30.572
Total	**27.086**	**32.232**

As at 31 December, long-term trade receivables comprised the following:

	2023	2022
Accounts receivables	27.086	32.232
Total	**27.086**	**32.232**

Short-term trade payables

As at 31 December, short-term trade payables comprised the following:

	2023	2022
Due from related parties	1.725	4.631
Due from third parties	217.632	290.848
Total	**219.357**	**295.479**

	2023	2022
Accounts payables (*)	218.424	293.491
Notes payable	--	171
Other trade payables	933	1.817
Total	**219.357**	**295.479**

(*) Accounts payables mainly consists of payables to suppliers of material and equipment for the EPC projects and payables to the subcontractors for the ongoing construction projects.

Long-term trade payables

As at 31 December, long-term trade payables comprised the following:

	2023	2022
Accounts payables	46	--
Total	**46**	**--**

The Group's exposure to credit and currency risks related to trade receivables and liquidity and currency risks of trade payables are disclosed in Note 37.

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13 Receivables and payables from finance sector activities

Short term receivables from finance sector activities

As at 31 December, current receivables related to finance sector activities comprised the following:

Short term receivables related to finance sector activities	2023	2022
Due from relatedparties	391	7.890
Due from third parties	998.419	894.400
Total	**998.810**	**902.290**

Short term receivables related to finance sector activities	2023	2022
Loans and receivables from customers	916.231	789.219
Loans and receivables from banks	82.907	112.678
Non-performing loans and receivables	16.755	23.041
Subtotal	**1.015.893**	**924.938**
Provision for impairment in value of loans and receivables	(17.083)	(22.648)
Total	**998.810**	**902.290**

As at 31 December, long term receivables related to finance sector activities comprised the following:

Long Term Receivables related to finance sector activities	2023	2022
Due from related parties	14.013	--
Due from third parties	1.536.030	1.498.944
Total	**1.550.043**	**1.498.944**

Long Term Receivables related to finance sector activities	2023	2022
Loans and receivables from customers	1.634.572	1.571.035
Loans and receivables from banks	37.552	33.217
Subtotal	**1.672.124**	**1.604.252**
Provision for impairment in value of loans and receivables	(122.081)	(105.308)
Total	**1.550.043**	**1.498.944**

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13 Receivables and payables from finance sector activities *(continued)*

Movements of provision for impairment in value of loans and receivables for the years ended 31 December were as follows:

	2023	2022
Specific allowances for impairment		
Balance at 1 January	**120.243**	**98.411**
Impairment loss for the year	14.635	34.757
- Charge for the year	*18.925*	*39.251*
- Recoveries	*(4.290)*	*(4.494)*
Other	--	(5.748)
Foreign currency translation difference	(1.192)	(7.177)
Balance at 31 December	**133.686**	**120.243**
Collective allowances for impairment		
Balance at 1 January	**7.713**	**10.185**
Impairment loss for the year	579	511
- Charge for the year	*4.149*	*5.262*
Recoveries	*(3.570)*	*(4.751)*
Foreign currency translation difference	*(2.814)*	*(2.983)*
Balance at 31 December	**5.478**	**7.713**
Total allowances for impairment	**139.164**	**127.956**

Short term payables related to finance sector activities

As at 31 December, short term payables related to finance sector activities comprised the following:

Short term payables related to finance sector activities	2023	2022
Due from related parties	20.305	26.384
Due from third parties	5.781.537	5.081.873
Total	**5.801.842**	**5.108.257**

As at 31 December, short-term payables to third parties comprised the following:

Short term payables related to finance sector activities	2023	2022
Due to banks	**55.411**	**62.931**
Time deposits	*52.179*	55.063
Current accounts	*3.232*	7.868
Due to customers	**4.546.900**	**3.797.665**
Individual	*3.362.806*	2.789.867
Private enterprises	*1.007.127*	763.558
Public institutions	*126.865*	144.363
Other	*50.102*	99.877
Customer Accounts(*)	**758.317**	**568.885**
Funds from repo transactions	**441.214**	**678.776**
Total	**5.801.842**	**5.108.257**

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13 **Receivables and payables from finance sector activities** *(continued)*

(*) The customer accounts represent the transitory balances of loan customers for the respective transactions. As at 31 December 2023.

Long term payables related to finance sector activities

As at 31 December, long term payables related to finance sector activities comprised the following:

Long term payables related to finance sector activities	2023	2022
Payables from finance sector activities to third parties	916.924	793.781
Total	**916.924**	**793.781**

Long term payables related to finance sector activities	2023	2022
Due to banks	**11**	10
Time deposits	*11*	10
Due to customers	**916.913**	**793.771**
Individual	*810.912*	713.755
Private enterprises	*73.142*	60.047
Public institutions	*32.854*	19.962
Other	*5*	*7*
Total	**916.924**	**793.781**

14 **Other receivables and other payables**

Other short-term receivables

As at 31 December, other short-term receivables comprised the following:

	2023	2022
Due from related parties	51.609	62.721
Due from third parties	64.332	98.543
Total	**115.941**	**161.264**

As at 31 December, other short-term receivables comprised the following:

	2023	2022
Due from shareholders	36.907	75.706
Due from joint ventures	11.678	13.179
Receivables from tax authorities	10.961	2.823
Deposits and guarantees given	3.387	23.377
Receivables from personnel	41	33
Other receivables	59.061	52.246
Subtotal	**122.035**	**167.364**
Allowance for other doubtful receivables (-)	(6.094)	(6.100)
Total	**115.941**	**161.264**

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Çalık Holding Anonim Şirketi and its Subsidiaries

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(Amounts expressed in thousands of USD unless otherwise stated.)

14 **Other receivables and other payables** *(continued)*

Other long-term receivables

As at 31 December, other long-term receivables comprised the following:

	2023	2022
Due from related parties	318.361	320.000
Due from third parties	51.863	43.542
Total	**370.224**	**363.542**

As at 31 December, other long-term receivables comprised the following:

	2023	2022
Due from shareholders	318.361	320.000
Deposits and guarantees given	35.469	11.734
Other receivables	16.394	31.808
Total	**370.224**	**363.542**

Other short-term payables

As at 31 December, other short-term payables comprised the following:

	2023	2022
Due from related parties	2.395	10
Due from third parties	77.174	61.013
Total	**79.569**	**61.023**

As at 31 December, other short-term payables comprised the following:

	2023	2022
Deposits and guarantees received	54.003	50.274
Shareholders	2.683	256
Other payables	22.883	10.493
Totalw	**79.569**	**61.023**

Other long-term payables

As at 31 December, other long-term payables comprised the following:

	2023	2022
Due to third parties	23.492	21.162
Total	**23.492**	**21.162**

As at 31 December, other long-term payables to third parties comprised the following:

	2023	2022
Deposits and guarantees received (*)	18.366	16.753
Other	5.126	4.409
Total	**23.492**	**21.162**

(*) As at 31 December, the deposits and guarantees received mainly consist of security deposits received by the electricity distribution and retail sale companies of the Group from their consumers.

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15 Inventories

As at 31 December, inventories comprised the following:

	2023	2022
Trading properties (*)	129.333	122.402
Raw materials	108.285	74.703
Trading goods	60.744	82.654
Finished goods	35.345	27.142
Semi finished goods in production	24.494	22.933
Other inventories	3.718	4.465
Allowance for impairment of inventories (-)	(1.916)	(3.354)
Total	**360.003**	**330.945**

(*) Trading properties comprise residential and office buildings built for available for sale within the scope of the "Taksim 360" project in Istanbul with a completion period of no longer than 48 months. As at 31 December 2023, the Group capitalised borrowing costs amounting to USD 100.088 (accumulated) on trading properties under development (31 December 2022: USD 68.066 (accumulated)).

Movements of provision for inventories for the year ended at 31 December were as follows:

	2023	2022
Beginning balance	**3.354**	**6.414**
Inflation effect	646	--
Balance at 1 January, 2023 (revised)	**4.000**	**6.414**
Current year provision	29	1.048
Refusal of provision due to sale	(1.735)	(1)
Disposals from the scope of consolidation	--	(3.117)
Foreign currency translation differences	(378)	(990)
Ending balance	**1.916**	**3.354**

16 Prepayments and deferred revenue

Current prepayments

As at 31 December, current portion of prepayments comprised the following:

	2023	2022
Advances given (*)	89.674	148.884
Other	13.746	10.571
Total	**103.420**	**159.455**

(*) Advances given mainly consists of advances given to suppliers and service providers for ongoing EPC projects.

Non-current prepayments

As at 31 December, non-current prepayments comprised the following:

	2023	2022
Advances given for property, plant and equipment acquisitions	200	658
Other	26.587	18.307
Total	**26.787**	**18.965**

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16 Prepayments and deferred revenue *(continued)*

Short term deferred revenue

As at 31 December, short-term portion of deferred revenue comprised the following:

Short term deferred revenue	2023	2022
Advances received (*)	37.743	75.849
Short term deferred income	85.810	33.846
Total	**123.553**	**109.695**

As at 31 December, long term deferred revenue comprised the following:

Long term deferred revenue	2023	2022
Long term deferred income (**)	30.308	93.542
Total	**30.308**	**93.542**

(*) The advances received are mostly from Taurus Arm For Power Generation Company within the scope of the BZC and BZS2 projects carried out by the Group in Iraq, from West African Energy SA within the scope of the SNC project in Senegal, and Rompetrol Energy SA within the scope of the RPE project in Romania. from the contract advances received within the scope of the TRS project and HLT project realized in Turkmenistan, and the contract advances received from Lukoil Mid-East Limited within the scope of the WQS2 project realized in Iraq.

(**) As at 31 December, USD 30.280 of deferred revenue was mainly due to real estate development and contracting projects of the Group's subsidiaries operating in the construction and real estate sectors (31 December 2022: USD 94.024).

17 Investments in equity-accounted investees

i) Joint ventures

Kosova Çalık Limak Energy Sh.A. ("KÇLE")

KÇLE was established as a joint venture with a joint agreement between Çalık Elektrik Dağıtım A.Ş. ("ÇEDAŞ"), Çalık Enerji and Limak Yatırım on 17 September 2012 with the participation of these three companies by 25 percent, 25 percent and 50 percent, respectively, in the share capital of KÇLE. On 8 May 2013, KÇLE purchased all shares of the state-owned enterprise namely Kompania Per Distribuim Dhe Fumizim Me Energji Elektrike SH.A ("KEDS") which is operating in electricity distribution and procurement in Kosovo for a consideration of USD 29.038 (equivalent of EUR 26.300) within the scope of a tender in the privatisation process initiated by the Government of Republic of Kosovo.

As per Share Transfer Agreement dated 27 April 2015, Çalık Enerji acquired 1.250 number of shares of KÇLE with a nominal value of EUR 12 held by ÇEDAŞ for a total consideration of EUR 17.475 and increased its ownership percent from 25.00 percent to 50.00 percent.

Doğu Aras Enerji Yatırımları Anonim Şirketi ("Doğu Aras")

Doğu Aras was founded in accordance with energy market regulations as a joint venture with a joint agreement between ÇEDAŞ and Kiler Alışveriş Hizmetleri Gıda Sanayi Ticaret A.Ş. ("Kiler Alışveriş") on 5 May 2013 with the participation of these two companies by 50 percent and 50 percent, respectively, for the purpose of establishing and participating to the companies that are engaged in distribution, retail and wholesale of electricity energy and/or capacity, assigning management of these established and participated companies, providing consultancy services on technical, financial, information processing and human resources management issues and making industrial and commercial investments through this companies.

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17 Investments in equity-accounted investees *(continued)*

Doğu Aras Enerji Yatırımları Anonim Şirketi ("Doğu Aras")(continued)

On 28 June 2013, Doğu Aras purchased all shares of EDAŞ and EPAŞ which were previously state owned companies operating in electricity distribution and procurement in cities Kars, Ardahan, Iğdır, Ercincan, Ağrı, Bayburt and Erzurum within the privatisation by paying an amount of USD 128.500 as a result of a tender in the privatisation process.

On 4-5 November 2021, the public offering of Doğu Aras shares was carried out using the "Fixed Price Bookkeeping" method. In the public offering, the unit price was TL 110, and the shares with a nominal value of TL 13.400 offered to the public were sold. Accordingly, the size of the public offering was realized as TL 1.474.000 After the mentioned public offering, Çalık Enerji's ownership rate in Doğu Aras became 40%. As of December 31, 2023, by including the shares in the stock exchange, the ownership increased to 45,34%.

LC Electricity Supply and Trading d.o.o. ("LC Electricity")

LC Electricity was established on 3 July 2014 in Serbia as a joint venture with a joint agreement between Türkmen Elektrik and Limak Yatırım with the participation of these two companies equally by 50 percent. The purpose of LC Electricity is trading electricity and sales/purchases of goods and services as part of this operation.

Bakırtepe Madencilik Sanayi ve Ticaret A.Ş. ("Bakırtepe")

Bakırtepe Madencilik Sanayi ve Ticaret A.Ş. was established in 2021. Bakırtepe is registered in Ankara, Turkiye and is engaged in the operation of mining in Gümüşhane region. As at reporting date, Bakırtepe is a associate of Lidya Madencilik Sanayi ve Ticaret A.Ş. and Alacer with an ownership structure of 30% and 70%, respectively.

Artmin Madencilik Sanayi ve Ticaret A.Ş. ("Artmin")

Artmin Madencilik Sanayi ve Ticaret A.Ş. (formerly AMG Mineral Mining Joint Stock Company was established in Ankara in 2011 in order to obtain exploration and operation licenses for all kinds of mines, to purchase and sell all kinds of mine sites, to operate mine sites and to participate in mining tenders. With the partial sale of 10% shares of Alacer Gold Corporation in 2023, control authority passed to Alacer Gold Corp Corporation. Artmin Madencilik started to be controlled by the Group in 2015 and the ownership rate is 60%.

Investments in equity-accounted joint ventures and the Group's share of control as follows:

	31 December 2023		31 December 2022	
Joint ventures	**Carrying value**	**% of ownership**	**Carrying value**	**% of ownership**
Assets				
Doğu Aras	202.430	45,34	93.454	40,00
KÇLE	111.849	50,00	91.886	50,00
Artmin (*)	23.236	60	--	--
Bakırtepe	1.275	30	531	30,00
LC Electricity	10	50,00	10	50,00
Çalık Limak Adi Ortaklığı	--	50,00	282	50,00
	338.800		**186.163**	

(*) On May 8, 2023, Alacer Gold Corporation and the Lidya Maden reached an agreement to acquire an up to 40% interest from the Lidya Maden in, and operational control of, the Hod Maden gold-copper development project, located in northeastern Türkiye (the "Transaction"). As of December 31, 2023, upon closing of the Transaction, Alacer Gold Corporation made a 120M USD cash payment to acquire a 10% interest in Artmin. As a result of the Transaction, Lidya Maden has lost control on Artmin and has changed its consolidation method from full consolidation to equity method since Lidya Maden has lost control after sale of 10% of the shares

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17 Investments in equity-accounted investees *(continued)*

i) Joint ventures (continued)

For the years ended 31 December, the movements in net investments in joint ventures were as follows:

	2023	2022
Balance at 1 January (previously reported)	**186.163**	**168.786**
Inflation effect	22.160	--
Balance at 1 January (revised)	**208.323**	**168.786**
Share of profit of equity accounted investees	110.689	25.165
Share capital increases	6.637	1.601
Change in share of associates	22.544	(2.254)
Dividend distribution	(4.736)	(3.674)
Currency translation difference	(4.657)	(3.461)
Balance at 31 December	**338.800**	**186.163**

ii) Associates

Investments in equity-accounted Associates and the Group's share of control are as follows:

	31 December 2023		31 December 2022	
Associates	**Carrying value**	**% of ownership**	**Carrying value**	**% of ownership**
Assets				
Kazakhstan Ijara Company KIC Leasing	3.165	14,31	2.817	14,31
Haliç Leasing	1.440	32,00	525	32,00
Idea Farm	1.269	30,00	433	30,00
Secom Aktif Güvenlik Yatırım A.Ş.	1.039	50,00	--	50,00
Workindo Teknoloji ve İnsan Kaynakları Danışmanlık A.Ş.	970	33,33	200	33,33
Euro-Mediterranean	969	25,57	1.328	25,57
Albania Leasing	934	29,99	1.091	29,99
Machinego Tek. Dan. ve İş Mak. A.Ş.	538	33,33	444	33,33
Aktif Fortis Enerji A.Ş.	410	50,00	379	50,00
Dome Zero inch.	129	1,96	44	1,96
HMC Dijital	--	--	146	33,33
Total	**10.863**		**7.407**	

For the years ended 31 December, the movements in investments in associates were as follows:

	2023	2022
Balance at 1 January (previously reported)	**7.407**	**8.832**
Inflation effect	7.796	--
Balance at 1 January (revised)	**15.203**	**8.832**
Capital contribution to share capital increase in joint ventures	2.551	820
Share of gain of equity accounted associates	(2.584)	122
Capital contribution to share increase in associates	(63)	(753)
Translation difference	(4.244)	(1.614)
Balance at 31 December	**10.863**	**7.407**

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17 Investments in equity-accounted investees *(continued)*

Summary financial information for equity-accounted associates were presented below:

							31 December 2023						
Company name-Associates	**Reporting period**	**Ownership rates (%)**	**Current assets**	**Non- current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	**Net assets**	**Profit/ (loss)**	**Group's share of net assets**	**Carrying amount**	**Group's share of profit/ (loss)**
Secom Aktif Yatırım Güv. AŞ	31 December	50,00%	9.550	6.917	16.467	1.575	8.640	10.215	6.252	(11.719)	3.126	1.039	(2.573)
Halk Yenilenebilir Enerji A. Ş	31 December	50,00%	342	--	342	173	--	173	169	58	85	--	--
Idea Farm Ventures	31 December	30,00%	1.421	--	1.421	--	--	--	1.421	(1)	426	1.269	--
Dome Zero	31 December	1,96%	13	--	13	--	--	--	13	--	--	129	--
Workindo	31 December	33,33%	781	391	1.172	133	11	144	1.028	300	343	970	15
HMC Dijital	31 December	0,00%	--	--	--	--	--	--	--	--	--	--	(257)
Machinego	31 December	33,33%	681	135	816	188	4	192	624	2.857	208	538	(24)
Aktif Fortis Enerji A.Ş.	31 December	50,00%	118	--	118	6	--	6	112	(6)	56	410	(241)
Kazakhstan Ijara Company Jsc	31 December	14,31%	3.270	31.614	34.884	12.649	--	12.649	22.235	2.208	3.182	3.165	316
Euro Mediterranean	31 December	25,57%	9.265	3.085	12.350	8.134	--	8.134	4.216	488	1.078	969	125
Haliç Finansal Kiralama	31 December	32,00%	1.311	1	1.312	108	--	108	1.204	174	385	1.440	55
Albania Leasing	31 December	29,99%	2.616	4.166	6.782	1.102	1.835	2.937	3.845	(253)	1.153	934	--
Total												**10.863**	**(2.584)**

Summary financial information for equity-accounted joint ventures were presented below:

							31 December 2023						
Company name-Joint ventures	**Reporting period**	**Ownership rates (%)**	**Current assets**	**Non- current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	**Net assets**	**Profit/ (loss)**	**Group's share of net assets**	**Carrying amount**	**Group's share of profit/ (loss)**
KÇLE	31 December	50,00%	125.498	184.518	310.016	107.340	26.511	133.851	176.165	37.408	88.083	111.849	18.704
Doğu Aras	31 December	45,34%	174.506	389.455	563.961	106.074	124.136	230.210	333.751	179.699	151.323	202.430	94.810
Çalık Limak Adi Ortaklığı	31 December	50,00%	3.835	10	3.845	3.844	--	3.844	1	1.634	1	--	817
LC Electricity	31 December	50,00%	--	--	--	--	--	--	--	--	--	10	--
Bakırtepe	31 December	30,00%	1.528	2.899	4.427	176	--	176	4.251	326	1.275	1.275	98
Artmin	31 December	60,00%	10.085	52.301	62.386	1.756	21.904	23.660	38.726	-6.233	23.236	23.236	(3.740)
Total												**338.800**	**110.689**

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17 Investments in equity-accounted investees *(continued)*

Summary financial information for equity-accounted associates were presented below:

							31 December 2022						
Company name-Associates	**Reporting period**	**Ownership rates (%)**	**Current assets**	**Non- current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	**Net assets**	**Profit/ (loss)**	**Group's share of net assets**	**Carrying amount**	**Group's share of profit/ (loss)**
Kazakhstan Ijara Company Jsc.	31 December	14,31%	4.409	28.714	33.123	13.250	--	13.250	19.873	2.076	2.844	2.817	297
Euro Mediterranean	31 December	25,57%	9.925	2.345	12.270	9.925	--	9.925	2.345	2.961	600	1.328	757
Haliç Finansal Kiralama	31 December	32,00%	1.648	2	1.650	27	--	27	1.623	194	519	525	62
Secom Aktif Yatırım Güv. AŞ	31 December	50,00%	7.990	7.793	15.783	1.556	8.442	9.998	5.785	(3.529)	2.893	--	(905)
Halk Yenilenebilir Enerji A. Ş	31 December	50,00%	539	--	539	273	--	273	266	103	133	--	--
Idea Farm Ventures Llc	31 December	30,00%	2.237	--	2.237	--	--	--	2.237	(2)	671	433	--
Dome Zero	31 December	1,96%	21	--	21	--	--	--	21	--	--	44	--
Workindo	31 December	33,33%	719	251	970	144	5	149	821	(415)	274	199	(138)
HMC Dijital	31 December	33,33%	483	--	483	--	--	--	483	93	161	146	--
Machinego	31 December	33,33%	1.333	49	1.382	50	--	50	1.332	148	444	444	49
Aktif Fortis Enerji A.Ş.	31 December	50,00%	581	--	581	2	--	2	579	62	289	379	--
Albania Leasing	31 December	29,99%	2.627	4.185	6.812	1.227	2.042	3.269	3.543	(158)	1.063	1.092	--
Total												**7.407**	**122**

Summary financial information for equity-accounted joint ventures were presented below:

							31 December 2022						
Company name-Joint ventures	**Reporting period**	**Ownership rates (%)**	**Current assets**	**Non- current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	**Net assets**	**Profit/ (loss)**	**Group's share of net assets**	**Carrying amount**	**Group's share of profit/ (loss)**
KÇLE	31 December	50,00%	129.055	165.386	294.441	149.637	13.538	163.175	131.266	9.957	65.633	91.886	4.979
Doğu Aras	31 December	40,00%	188.131	153.867	341.998	150.469	78.888	229.357	112.641	52.599	45.056	93.454	21.040
Çalık Limak Adi Ortaklığı	31 December	50,00%	1.554	10	1.564	1.563	--	1.563	1	628	1	282	316
LC Electricity	31 December	50,00%	--	--	--	--	--	--	--	--	--	10	--
Bakırtepe	31 December	30,00%	2.638	--	2.638	868	--	868	1.770	(3.899)	531	531	(1.170)
Kartaltepe	31 December	20,00%	687	1.675	2.362	6.636	267	6.903	(4.541)	--	(908)	--	--
Total												**186.163**	**25.165**

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18 Property, plant and equipment

Movements of property, plant and equipment, and related accumulated depreciation during the years ended 31 December were as follows:

	Land and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other tangible assets	Construction in progress	Leasehold improvements	Total
Balance at 1 January, 2023(previously reported)	**145.361**	**190.952**	**24.886**	**59.159**	**36.800**	**159.470**	**11.300**	**627.928**
Reclassified effect (Note 2.f)	--	--	--	--	--	(145.054)	--	**(145.054)**
Inflation effect	61.427	230.924	11.451	21.999	118	4.695	5.878	**336.492**
Balance as of January 1, 2023 (indexed)	**206.788**	**421.876**	**36.337**	**81.158**	**36.918**	**19.111**	**17.178**	**819.366**
Additions	5.669	8.344	14.906	9.352	17.919	8.183	908	**65.281**
Transfers to non-current assets	--	--	--	--	--	(439)	--	**(439)**
Transfers	369	863	--	101	--	(13.117)	--	**(11.784)**
Translation differences and inflation effect	9.866	10.221	(4.723)	(894)	1.661	(1.593)	649	**15.187**
Additions and disposals of business acquisitions (*)	(2.386)	18	(52)	18	--	(2.173)	1.657	**(2.918)**
Outflow	(26.804)	(24)	(2.739)	(2.721)	(7.640)	(3)	(4)	**(39.935)**
Balance at 31 December 2023	**193.502**	**441.298**	**43.729**	**87.014**	**48.858**	**9.969**	**20.388**	**844.758**
Balance at 1 January	**199.386**	**413.265**	**30.489**	**96.508**	**35.842**	**36.337**	**15.798**	**827.625**
Additions	7.245	4.750	1.482	9.422	7.227	121.933	1.600	**153.659**
Transfers to non-current assets	--	--	--	--	(291)	35	(35)	**(291)**
Transfers	272	1.876	--	774	(664)	(108.849)	--	**(106.591)**
Foreign currency translation difference	(22.507)	(65.472)	(2.392)	(10.856)	(819)	(29.499)	(2.256)	**(133.801)**
Addition and disposal of business acquisition	20.252	6.601	--	1.063	49	--	--	**27.965**
Disposals from the scope of consolidation	(46.912)	(169.413)	(1.235)	(29.356)	(39)	(1.860)	--	**(248.815)**
Outflow	(12.375)	(655)	(3.458)	(8.396)	(4.505)	(3.681)	(3.807)	**(36.877)**
Balance at 31 December 2022	**145.361**	**190.952**	**24.886**	**59.159**	**36.800**	**14.416**	**11.300**	**482.874**

As at 31 December 2023, total insurance coverage on property, plant and equipment is USD 604.070 (31 December 2022: USD 626.271).

As at 31 December 2023, mortgages on property, plant and equipment is USD 40.054 (31 December 2022: 48.132).

(*) On May 8, 2023, Alacer Gold Corporation and the Lidya Maden reached an agreement to acquire an up to 40% interest from the Lidya Maden in, and operational control of, the Hod Maden gold-copper development project, located in northeastern Türkiye (the "Transaction"). As of December 31, 2023, upon closing of the Transaction, Alacer Gold Corporation made a 120M USD cash payment to acquire a 10% interest in Artmin. As a result of the Transaction, Lidya Maden has lost control on Artmin and has changed its consolidation method from full consolidation to equity method since Lidya Maden has lost control after sale of 10% of the shares. In addition, Lidya Maden liquidated L'Or D'Afrique SARL in 2023 and disposed property, plant and equipment of L'Or D'Afrique SARL in 2023.

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18 Property, plant and equipment *(continued)*

	Land and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other tangible assets	Construction in progress	Leasehold improvements	Total
Accumulated depreciation								
Balance at 1 January, 2023	**(39.639)**	**(111.311)**	**(18.090)**	**(38.114)**	**(23.557)**	**--**	**(6.369)**	**(237.080)**
Inflation effect	(20.656)	(137.066)	(8.769)	(17.962)	(108)	--	(5.846)	**(190.407)**
Balance at 1 January, 2023 (revised)	**(60.295)**	**(248.377)**	**(26.859)**	**(56.076)**	**(23.665)**	**--**	**(12.215)**	**(427.487)**
Current year amortization	(5.747)	(29.531)	(3.420)	(8.379)	(2.437)	--	(1.040)	**(50.554)**
Transfers	(52)	--	(1)	--	(2)	--	--	**(55)**
Translation differences and inflation effect	(3.955)	(10.148)	3.485	(103)	(2.674)	--	(1.073)	**(14.468)**
Additions and disposals of business acquisitions	82	107	29	170	--	--	--	**388**
Disposals	5.300	193	2.402	2.284	443	--	512	**11.134**
Balance at 31 December 2023	**(64.667)**	**(287.756)**	**(24.364)**	**(62.104)**	**(28.335)**	**--**	**(13.816)**	**(481.042)**
Balance at 1 January	**(59.914)**	**(190.260)**	**(20.306)**	**(67.354)**	**(20.985)**	**(23)**	**(7.993)**	**(366.835)**
Depreciation	(5.635)	(15.623)	(3.214)	(6.247)	(2.251)	--	(781)	**(33.751)**
Foreign currency translation difference	5.219	31.925	1.794	7.322	(396)	4	1.462	**47.330**
Addition and disposal of business acquisition	(2.862)	(6.951)	--	(8)	5	--	--	**(9.816)**
Disposals from the scope of consolidation (Note5)	16.952	69.456	1.011	21.045	24	19	--	**108.507**
Disposal	6.601	142	2.625	7.128	46	--	943	**17.485**
Balance at 31 December 2022	**(39.639)**	**(111.311)**	**(18.090)**	**(38.114)**	**(23.557)**	**--**	**(6.369)**	**(237.080)**
Net carrying value at 31 December 2022	**105.722**	**79.641**	**6.796**	**21.045**	**13.243**	**159.470**	**4.931**	**390.848**
Reclassified effect (Note 2.f)	**--**	**--**	**--**	**--**	**--**	**(145.054)**	**--**	**(145.054)**
Inflation effect	**40.771**	**93.858**	**2.682**	**4.037**	**10**	**4.695**	**32**	**146.085**
1 January 2023 net book value (remastered)	**146.493**	**173.499**	**9.478**	**25.082**	**13.253**	**19.111**	**4.963**	**391.879**
Net carrying value at 31 December 2023	**128.835**	**153.542**	**19.365**	**24.910**	**20.523**	**9.969**	**6.572**	**363.716**

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19 Intangible assets

Movements of intangible assets and related accumulated amortisation during the years ended 31 December 2023 and 2022 were as follows:

Cost	Goodwill	Licences & software	Electricity distribution rights	Brand names	Other intangibles	Total
Balance at 1 January, 2023 (previously reported)	**1.387**	**57.192**	**30.679**	**22.711**	**110.474**	**222.443**
Inflation effect	708	32.991	106.956	12.152	(70.634)	82.173
Balance at 1 January, 2023	**2.095**	**90.183**	**137.635**	**34.863**	**39.840**	**304.616**
Addition	4.969	17.988	--	12.695	33.987	69.639
Transfers from tangible assets	--	--	--	--	439	439
Translation differences and inflation effect	361	89.702	30.530	22.582	28.403	171.578
Addition and disposal of business acquisition (*)	--	--	--	(34.181)	(38)	(34.219)
Disposal	--	(69)	--	--	--	(69)
Balance at 31 December 2023	**7.425**	**197.804**	**168.165**	**35.959**	**102.631**	**511.984**
Balance at 1 January, 2023 (previously reported)	**--**	**(41.402)**	**(14.434)**	**(6.695)**	**(28.379)**	**(90.910)**
Inflation effect	--	(36.739)	(46.838)	1.872	7.783	(73.922)
Balance at 1 January, 2023	**--**	**(78.141)**	**(61.272)**	**(4.823)**	**(20.596)**	**(164.832)**
Current year amortization	--	(19.645)	(6.667)	(12.947)	(8.379)	(47.638)
Translation differences and inflation effect	--	(22.658)	(13.591)	(3.124)	(10.242)	(49.615)
Addition and disposal of business acquisition (*)	--	--	--	--	36	36
Disposals	--	49	--	--	--	49
Balance at 31 December 2023	**--**	**(120.395)**	**(81.530)**	**(20.894)**	**(39.181)**	**(262.000)**

(*) On May 8, 2023, Alacer Gold Corporation and the Company reached an agreement to acquire an up to 40% interest from the Company in, and operational control of, the Hod Maden gold-copper development project, located in northeastern Türkiye (the "Transaction"). In 2023, upon closing of the Transaction, Alacer Gold Corporation made a 120M USD cash payment to acquire a 10% interest in Artmin. As a result of the Transaction, the Company has lost control on Artmin and has changed its consolidation method from full consolidation to equity method since the Company has lost control after sale of 10% of the shares. In addition, the Group liquidated L'Or D'Afrique SARL in 2023 and has disposed intangible assets of L'Or D'Afrique SARL in 2023.

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19 Intangible assets *(continued)*

Cost	Goodwill	Licences & software	Electricity distribution rights	Brand names	Other intangibles	Total
Balance at 1 January, 2022 (previously reported)	**1.945**	**95.492**	**43.235**	**19**	**122.871**	**263.562**
Addition	--	4.131	--	8.701	17.310	30.142
Transfers from tangible assets	--	343	--	--	35	378
Foreign currency translation effect	(558)	(17.489)	(12.397)	13.991	(29.065)	(45.518)
Addition and disposal of business acquisition	--	1.400	--	--	23	1.423
Adjustments	--	3.845	--	--	--	3.845
Disposals from the scope of consolidation	--	(30.499)	--	--	--	(30.499)
Disposal	--	(31)	(159)	--	(700)	(890)
Balance at 31 December 2022	**1.387**	**57.192**	**30.679**	**22.711**	**110.474**	**222.443**
Balance at 1 January, 2022 (previously reported)	**--**	**(62.599)**	**(18.809)**	**(4)**	**(23.772)**	**(105.184)**
Current year amortization	--	(3.859)	(1.159)	(6.187)	(6.913)	(18.118)
Foreign currency translation effect	--	9.482	5.534	(504)	1.508	16.020
Addition and disposal of business acquisition	--	(13)	--	--	--	(13)
Adjustments	--	--	--	--	27	27
Disposals from the scope of consolidation	--	15.586	--	--	--	15.586
Disposal	--	1	--	--	771	772
Balance at 31 December 2022	**--**	**(41.402)**	**(14.434)**	**(6.695)**	**(28.379)**	**(90.910)**

Net carrying value at 31 December 2022	**1.387**	**15.790**	**16.245**	**16.016**	**82.095**	**131.533**
Inflation effect	**708**	**(3.748)**	**60.118**	**14.024**	**(62.851)**	**8.251**
Net carrying value at 31 December 2022	**2.095**	**12.042**	**76.363**	**30.040**	**19.244**	**139.784**
Net carrying value at 31 December 2023	**7.425**	**77.409**	**86.635**	**15.065**	**63.450**	**249.984**

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20 Right of use assets

For the years ended 31 December, movements in right of use assets were as follows:

Right of use sssets	1 January 2023	Inflation effect	Balance at 1 January, 2023	Additions	Disposals	Additions of business acquisitions	Translation differences and inflation effect	31 December 2023
Right of use assets	32.435	638	33.073	5.040	(639)	357	4.198	42.029
Right of use assets depreciation	(11.892)	(198)	(12.090)	(4.993)	119	(510)	(1.647)	(19.121)
Net carrying value	**20.543**	**440**	**20.983**	**47**	**(520)**	**(153)**	**2.551**	**22.908**

Right of use assets	Balance at 1 January 2022	Additions	Mergers	Disposal	Foreign currency translation differences	Balance at 31 December 2022
Right of use assets	64.991	2.094	(26.650)	(119)	(7.881)	32.435
Right of use assets depreciation	(17.918)	(3.848)	6.752	225	2.897	(11.892)
Net carrying value	**47.073**	**(1.754)**	**(19.898)**	**106**	**(4.984)**	**20.543**

21 Investment properties

As at 31 December, investment property comprised the following:

	2023	2022
Investment property under development	233.912	161.939
Investment property in use	--	28.025
Total	**233.912**	**189.964**

For the years ended 31 December, movements in investment property were as follows:

	2023	2022
Balance at 1 January (previously reported)	**86.250**	**81.584**
Reclassified effect (Note 2.f)	103.714	28.836
Inflation effect	108	--
Net carrying value at 1 January	**190.072**	**110.420**
Additions / disposals	2.579	(26.768)
Transfers from tangible assets	11.784	74.879
Changes in fair value	40.741	31.818
Currency translation difference	(11.264)	(385)
Balance at 31 December	**233.912**	**189.964**

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21 Investment properties *(continue)*

The Group obtained independent appraisal reports for each item of investment property and measured them at their fair values. Fair value information for all investment property within the scope of TFRS 13 based on fair value hierarchy are as follows:

31 December 2023	Level 1	Level 2	Level 3	Total
Investment properties	--	103.322	130.590	**233.912**
Total	--	**103.322**	**130.590**	**233.912**

31 December 2022	Level 1	Level 2	Level 3	Total
Investment properties	--	86.250	103.714	189.964
Total	--	**86.250**	**103.714**	**189.964**

As at 31 December, fair value of the investment properties is calculated as comparison method by independent appraisal.

Peer comparison method determines recently listed or sold properties in market and takes into consideration of other factors for the adjustment of value based on size of land of property with current condition and location. For current market outlook, the appraisers contact with the property sale intermediaries.

As at 31 December 2023, there is no mortgage on the Group's investment properties (31 December 2022: None).

22 Other assets and liabilities

Other current assets

As at 31 December, other current assets comprised the following:

	2023	2022
Reserve deposits at Central Banks (*)	799.879	702.110
Value added tax ("VAT") receivables	35.696	36.101
Personnel advances	1.914	301
Other income accruals	2.946	5.371
Other current assets	23.044	39.707
Total	**863.479**	**783.590**

(*) As at 31 December 2023 and 2022, this amount consists only of reserve deposits, which represents the mandatory deposit and is not available in the Group's day-to-day operations.

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22 Other assets and liabilities*(continue)*

Other short-term liabilities

As at 31 December, other short-term liabilities comprised the following:

	2023	2022
Taxes and funds payable	22.573	35.440
Turkish Football Federations' share on collection of card sales	2.146	2.160
Blockage on corporate collection account	1.353	2.318
Value Added Tax ("VAT") payables	1.065	1.228
Other short-term liabilities	51.849	51.581
Total	**78.986**	**92.727**

23 Due from/due to customers for contract work

As at 31 December, the details of due from customers for contract work and due to customers for contract work as follows:

	2023	2022
Current amounts due from customers for contract work	425.119	275.544
Current liabilities due to customers for contract work	(46.224)	(80.677)
Non-current liabilities due to customers for contract work	(192.049)	(80.869)
Total	**186.846**	**113.998**

As at 31 December, the details of uncompleted contracts were as follows:

	2023	2022
Total costs incurred on uncompleted contracts	1.585.610	1.257.052
Estimated earnings	237.119	238.646
Total estimated revenue on uncompleted contracts	**1.822.729**	**1.495.698**
Less: Billings to date	(1.635.883)	(1.381.700)
Net amounts due from customers for contract work	**186.846**	**113.998**

As of 31 December, the details of other contractual obligations are as follows:

	2023	2022
Other contractual liabilities (*)	(311.206)	(181.006)
Total	**(311.206)**	**(181.006)**

(*) Other contractual obligations consist of contract advances received from Taurus Arm For Power Generation Company for the BZC and BZS2 projects in Iraq, from West African Energy SA for the SNC project in Senegal, from Rompetrol Energy SA for the RPE project in Romania, from Gulf Cooperation Council Interconnection Authotrity for the AFT project in Iraq and Turkmenistan, and from Mitsubishi Corporation for the TPC2 and NAV3 projects in Uzbekistan.

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24 Loans and borrowings

As at 31 December, loans and borrowings comprised the following:

2023			
Short term loans and borrowings	**Finance**	**Non Finance**	**Total**
Securities issued	599.844	--	599.844
Funds borrowed by the Group's banking subsidiaries	221.926	--	221.926
Current portion of long term bank loans	5.257	152.198	157.455
Bank loans	1	118.832	118.833
Issued bonds	--	12.711	12.711
Factoring payables	102	10.556	10.658
Lease obligations	2.815	1.426	4.241
Total	**829.945**	**295.723**	**1.125.668**

Long term loans and borrowings	**Finance**	**Non Finance**	**Total**
Securities issued	147.605	23.414	171.019
Bank loans	94	111.875	111.969
Subordinated liabilities	37.602	--	37.602
Funds borrowed by the Group's banking subsidiaries	29.974	--	29.974
Lease obligations	12.784	3.558	16.342
Sukuk agreement	--	14.939	14.939
Total	**228.059**	**153.786**	**381.845**

2022			
Short term loans and borrowings	**Finance**	**Non Finance**	**Total**
Securities issued	710.576	--	710.576
Funds borrowed by the Group's banking subsidiaries	299.724	--	299.724
Short-term portion of long-term loans	--	177.092	177.092
Bank loans	2	139.850	139.852
Issued bonds	--	19.699	19.699
Factoring payables	--	5.538	5.538
Financial lease debts	2.350	2.820	5.170
Total	**1.012.652**	**344.999**	**1.357.651**

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24 Loans and borrowings *(continued)*

Long term loans and borrowings	Finance	Non Finance	Total
Sukuk agreement	--	142.080	142.080
Bank loans	34	122.614	122.648
Subordinated liabilities	50.152	--	50.152
Securities issued	48.619	--	48.619
Issued bonds	--	30.324	30.324
Financial leasing debts	12.825	3.778	16.603
Funds borrowed by the Group's banking subsidiaries	4.743	--	4.743
Lease obligations	65	303	368
Total	**116.438**	**299.099**	**415.537**

As of 31 December 2023, there is no mortgage on the investment properties under construction (31 December 2022: USD 58.225) in return for the bank loans used. (December 31, 2022: Not available). In addition, there are bank letters of guarantee in the amount of USD 1.107, EUR 20.783 ve TL 403.005 (31 December 2022: USD 2.086, EUR 21.539 ve TL 73.440) regarding the Exim Bank loans received.

There are pledges to a bank over Çalık Enerji's shares of YEDAŞ, YEPAŞ and ÇEDAŞ with number of shares by 85 (TL 0,00085), 115 (TL 0,00115), 377.622.000 (TL 377.622 thousands), respectively and ÇEDAŞ's shares of YEPAŞ and YEDAŞ, with number of shares by 6.358.770.388 (TL 63.587 thousands) and 35.700.685.312 (TL 357.006 thousands), as a guarantee for the cash and non-cash bank borrowings used or will be used from that bank by Çalık Holding, ÇEDAŞ, YEDAŞ and YEPAŞ.

25 Derivatives

The carrying values of derivative instruments held at 31 December, were as follows:

	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Swap transactions	14.000	(3.429)	9.687	(1.371)
Forward transactions	970	(510)	3.525	(2.521)
Futures transactions	10	(111)	13	(290)
Currency options	1.036	(917)	967	(725)
Total	**16.016**	**(4.967)**	**14.192**	**(4.907)**

All derivatives in a net receivable position (positive fair value) are reported as derivative assets. All derivatives in a net payable position (negative fair value) are reported as derivative liabilities.

Further disclosure regarding the derivative contracts of the Group are explained at Note 37.

26 Payables related to employee benefits

As at 31 December, payables related to employee benefits comprised the following:

	2023	2022
Due to personnel	7.043	7.002
Social security premiums payable	5.401	3.210
Total	**12.444**	**10.212**

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27 Provisions

As at 31 December, provisions comprised the following items:

	2023	2022
Short term provisions		
Short term employee benefits	22.213	18.678
Other short-term provisions	17.441	20.130
Total short-term provisions	**39.654**	**38.808**
Long term provisions		
Long term employee benefits	19.890	15.766
Other long-term provisions	12.206	37
Total long-term provisions	**32.096**	**15.803**
Total provisions	**71.750**	**54.611**

As at 31 December 2023 and 2022, short-term and long term employee benefits comprised the following items:

	2023	2022
Short-term		
Bonus provisions	16.972	13.774
Vacation pay liability	5.241	4.904
Total	**22.213**	**18.678**
Long term		
Employee termination benefits	19.890	15.766
Total	**19.890**	**15.766**

As at 31 December, other provisions comprised the following items:

	2023	2022
Provision for litigations	7.973	11.262
Provisions for expenses	7.352	7.151
Other current provisions	14.322	1.754
Total	**29.647**	**20.167**

Reserve for employee severance indemnity

In accordance with the existing labour law in Turkiye, the Group entities operating in Turkiye are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire (age of 58 for women, age of 60 for men) or completed service years of 20 for women or 25 for men, are called up for military service or die. According to change of regulation, dated 8 September 1999, there are additional liabilities for the integration articles.

For the years ended 31 December, the movements in the reserve for employee severance indemnity were as follows:

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27 Provisions *(continued)*

	2023	2022
Balance at 1 January	**15.766**	**10.770**
Inflation effect	3.616	--
Balance at 1 January (revised)	**19.382**	**10.770**
Interest cost	1.881	2.191
Cost of services	2.588	2.135
Paid during the year	(5.591)	(2.518)
Addition of business acquisitions	7	--
Translation differences and inflation effect	(6.938)	(4.148)
Actuarial difference	8.561	7.336
Balance at 31 December	**19.890**	**15.766**

The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees.

Actuarial valuation methods were developed to estimate the Group's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	2023	2022
Discount rate	2,42%	3,00%
Interest rate	25,05%	21,44%
Inflation rate	22,10%	17,90%

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. As at 31 December 2023, the ceiling amount was USD 0,79 (31 December 2022: USD 0,82).

For the years ended 31 December, the movements in the provisions were as follows:

2023	1 January	Inflation effect	Balance at 1 January, (revised)	Provision for the period	Recoveries/ payments during the year	Currency translation difference	31 December
Bonus provisions	13.774	--	13.774	7.464	(404)	(3.862)	16.972
Provision for litigations	11.262	230	11.492	2.333	(3.633)	(2.840)	7.352
Vacation pay liability	4.903	389	5.292	1.854	(560)	(1.345)	5.241
Other expense provisions	8.906	--	8.906	17.434	(3.949)	(96)	22.295
Total	**38.845**	**619**	**39.464**	**29.085**	**(8.546)**	**(8.143)**	**51.860**

2022	1 January	Provision for the period	Recoveries/ payments during the year	Disposals from the scope of consolidation	Currency translation difference	31 December
Provision for litigations	12.635	1.855	(219)	(767)	(2.242)	11.262
Bonus provisions	10.093	9.813	(3.258)	--	(2.874)	13.774
Vacation pay liability	4.128	1.731	(84)	(398)	(474)	4.903
Other expense provisions	5.692	32.918	(30.951)	--	1.247	8.906
Total	**32.548**	**46.317**	**(34.512)**	**(1.165)**	**(4.343)**	**38.845**

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28 Commitments and contingencies

Guarantee, pledge and mortgages ("GPM") in respect of commitment and contingencies realised in the ordinary course of business outside the finance sector were given as at 31 December 2023 are as follows:

31 December 2023	**Original currency (USD equivalent)**			
	USD	**TL**	**Others**	**Total**
A. Total amount of GPMs given in the name of its own legal personality	327.730	23.746	101.875	453.351
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	94.466	--	94.466
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	*94.466*	--	*94.466*
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D. Other GPMs given	475	277	--	752
Total	**328.205**	**118.489**	**101.875**	**548.569**

GPMs in respect of commitment and contingencies realised in the ordinary course of business outside the finance sector were given as at 31 December 2022 are as follows:

31 December 2022	**Original currency (USD equivalent)**			
	USD	**TL**	**Others**	**Total**
A. Total amount of GPMs given in the name of its own legal personality	293.246	65.625	52.981	411.852
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	44.699	--	44.699
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	*44.699*	--	*44.699*
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D. Other GPMs given (*)	--	130	--	130
Total	**293.246**	**110.454**	**52.981**	**456.681**

(*) As at 31 December 2023, the ratio of other GPMs given to total equity is 0,02 percent (31 December 2022: 0,05 percent).

Details of the commitments and contingent liabilities arising in the ordinary course of the business of the Group comprised the following items as at 31 December:

	2023	2022
Given for ongoing EPC projects	381.924	136.091
Pledge on shares	73.090	44.699
Given to banks	39.102	147.135
TETAŞ and TEİAŞ	21.376	21.382
Given to EMRA	1	2
Given to other suppliers and government agencies	33.076	107.372
Total contingent liabilities	**548.569**	**456.681**

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28 Commitments and contingencies *(continued)*

Litigation and claims

As at 31 December 2023, the expected cash outflow amount for the pending claims filed against to the Group is USD 7.352 (31 December 2022: USD 11.262). As at 31 December 2023, the provision for litigation and claims are mainly related to the labor cases against the Group. The Group made a provision for the whole amount related to these claims.

Pending tax audits

In Turkiye, the tax and other government authorities (Social Security Institution) have the right to inspect the Group's tax returns and accounting records for the past five fiscal years. The Group has not recorded a provision for any additional taxes for the fiscal years that remained unaudited, as the amount cannot be estimated with any degree of uncertainty. The Group's management believes that no material assessment will arise from any future inspection for unaudited fiscal years.

29 Taxation

Turkiye

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

Tax rates in Turkiye are 25 percent for 2023 (31 December 2022: 23 percent) and tax returns are filed for permanent business purposes. This rate is included in 25 percent of 2023. For banks and institutions, the rate was accepted as 30 percent. According to the Corporate Tax, 75 percent of the income from the sales of affiliates and properties for at least two years is subject to tax if they are recorded in their own accounts for five years from their sales. The remaining 25 percent is taxable to certain corporations.

In addition, there is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. According to the legal regulation effective from April 24, 2003, there is no withholding tax liability for dividend payments made from the profits obtained between 1999 and 2002 and which are exempt from corporate tax. With the decision of the Council of Ministers numbered 2006/10731 published in the Official Gazette dated 23 July 2006 and numbered 26237, some withholding rates in Articles 15 and 30 of the Corporate Tax Law No. 5520 were re-determined.

In this context, the withholding tax rate applied at the rate of 10 percent on dividend payments excluding those made to non-resident companies that generate income in Turkiye through a workplace or their permanent representative and institutions residing in Turkiye has been increased to 15 percent. In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the withholding tax rates in the relevant Double Taxation Agreements are also taken into account.

Tax legislation in Turkiye does not allow the parent and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes reflected in the consolidated financial statements have been calculated separately for each company subject to consolidation.

According to Turkish tax legislation, financial losses can be carried forward for a period of five years to be set off from the future corporate income. However, financial losses cannot be carried retrospectively.

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29 Taxation *(continued)*

Turkiye *(continued)*

Transfer pricing regulations (continued)

The subject of transfer pricing is covered under the title of "disguised profit distribution through transfer pricing" in Article 13 of the Corporate Tax Law. In the General Communiqué on disguised profit distribution through transfer pricing published on 18 November 2007, the details of the implementation were determined.

If taxpayers engage in purchases and sales of products, goods or services that are not priced within the framework of the arm's length principle, then it will be concluded that the relevant profits are distributed implicitly through transfer pricing. Disguised profit distributions through such transfer pricing will not be deducted from the tax base in terms of corporate tax.

Tax applications for foreign subsidiaries and joint ventures of the Group

Republic of Albania

The applicable corporate tax rate in Republic of Albania is 15 percent (31 December 2022:15 percent). Tax base is by modifying accounting income for certain exclusions and allowances in accordance with the related tax legislations. Non-documented expenses, repayments of loans and borrowings which are four times higher than equity, pre-payments, representation and accommodation expenses and fringe benefits over a certain limit are not subject to reduction for tax purposes.

Republic of Kosovo

The applicable corporate tax rate in Republic of Kosovo is 10 percent (31 December 2022:10 percent).

Under Kosovo tax legislation system, tax losses can be carried forward to be offset against future taxable income for up to seven years.

Arab Republic of Egypt

The applicable corporate tax rate for the subsidiaries operating in Egypt is 22.5 percent (31 December 2022: 22.5 percent). Since the Group is operating in free trade zone of Egypt, the Group is not subject to corporate tax.

United Arab Emirates

As at 31 December 2023, the Group has subsidiaries in the United Arab Emirates located in Dubai. There is no federal corporate tax in United Arab Emirates. However, similar taxes are implemented in different sectors in different emirates. As at 31 December 2022 and 2021, the Group's subsidiaries operating in Dubai are not subject to corporate tax.

USA

Federal corporate income tax applicable in bands of taxable income from 21 percent. (31 December 2022: 21 percent). State and local governments may also impose income taxes ranging from less than 1 percent to 12 percent.

Foreign companies are generally subject to the same corporate tax as domestic companies. However, taxable income is calculated on Effectively Connected Income (ECI) only, which is considered as all U.S.-source income derived from trade or business in the U.S. or sale of U.S. real property or inventory by a foreign entity.

Georgia

The applicable corporate tax rate in Georgia is 15 percent (31 December 2022: 15 percent).

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29 **Taxation** *(continued)*

Tax applications for foreign subsidiaries and joint ventures of the Group (continued)

Uzbekistan

The applicable corporate tax rate in Uzbekistan is 15 percent. As at 31 December 2023 the Group's operation in Uzbekistan aren't subject to corporate tax due to dispensation.

Libya

The corporate tax rate is 20 percent (31 December 2022: 20 percent). In addition to the 20 percent tax rate, a Jihad tax is levied by 4 percent.

Turkmenistan

According to Turkmenistan law, while the corporate tax rate is 8 percent for local companies, it is 20 percent for branches of foreign companies and for local companies which have foreign partner. Parent company of branches located in Turkmenistan is tax-exempt due to income generated from construction projects outside Turkiye is tax exempt in Turkiye. Besides, revenue arising from sales of machinery and equipment which are exported from Turkiye and included in construction cost in those countries are subject to corporate tax in Turkiye.

The Netherlands

The tax rate on the worldwide income of Dutch institutions is 25.8 percent (31 December 2022: 25.8 percent). The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exemptions in the tax laws. If there is no tax treaty, an exemption is provided by a unilateral decree for Dutch income tax for resident companies related to avoiding double taxation, for foreign business income from foreign establishments.

According to Dutch tax legislation, financial losses can be carried forward for nine years to be offset against future corporate profits. Financial losses can be set off against retained earnings for up to one year. Companies must submit their tax returns within six months following the closing of the relevant accounting period, unless they request an extension of time, which normally means an additional nine-month period. The tax inspection authorities may examine the tax returns and the accounting records underlying them for five years, starting from the beginning of the year following the filing of the tax return, and make a reassessment as a result of their findings.

Switzerland

Corporate tax in Switzerland is a combination of Cantonal and Federal income taxes. Federal income tax is calculated at a rate of 8.50 percent (2022: 8.50 percent) on the net profit for the relevant period. Cantonal and community taxes are added to the federal tax. this provides an overall effective tax rate of 11.9 percent to 21 percent, depending on the company's corporate residence in Switzerland. In addition to Cantonal and Federal taxes, a tax called the professional tax is calculated on gross income, rental expenses, and staff numbers for the last two years at various effective rates.

According to the tax legislation in Switzerland, financial losses can be carried forward for seven years to be set off from the future corporate income. If companies have not requested an extension, they must file their tax returns within the first four months following the closing of the relevant tax year. The tax inspection authorities may examine the tax returns and the accounting records underlying them for five years, starting from the beginning of the year following the filing of the tax return, and make a reassessment as a result of their findings.

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29 **Taxation** *(continued)*

Serbia

The applicable corporate tax rate in Serbia is 15 percent (31 December 2022: 15 percent).

Qatar

As of 31 December 2023, corporate tax rate is 10 percent. The Group has a branch operating in Qatar and a subsidiary. In Qatar Emirates, companies are subject to corporate tax. Taxes and duties related to the project carried out by the Group in Qatar are tax exempt.

Tax recognised in profit or loss

Income tax expense for the years ended 31 December comprised the following items:

Reconciliation of effective tax rate

	Continuing Operations		*Discontinued operations*		*Total*	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Current corporation and income taxes	103.685	103.368	--	--	103.685	103.368
Deferred tax expense / (benefit)	9.967	(132.387)	--	--	9.967	(132.387)
Total income tax expense / (benefit)	**113.652**	**(29.019)**	**--**	**--**	**113.652**	**(29.019)**

The reported income tax expense for the years ended 31 December are different than the amounts computed by applying statutory tax rate to profit before tax as shown in the following reconciliation:

	2023		**2022**	
	Amount	**%**	**Amount**	**%**
Reported profit before taxation	427.445		831.770	--
Taxes on reported profit per statutory tax rate of the Company	(106.861)	(25,00)	(191.307)	(23,00)
Permanent differences:				
Disallowable expenses	(14.004)		(12.685)	
Tax exempt income	64.943		152.073	
Effect of different tax rates in foreign jurisdictions	12.010		10.947	
Unrecorded deferred tax assets	8.410		42.446	
Effect of share of profit of equity-accounted investees and other consolidated adjustments	24.946		5.816	
Effect of consolidated adjustments on taxes	(69.089)		(114.285)	
Revaluation effect of tangible and intangible assets	30.034		100.965	
Monetary gain/loss	(36.513)		--	
Others, net	(27.528)		35.049	
Tax expense	**(113.652)**		**29.019**	

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As at and for the Year Ended 31 December 2023

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29 Taxation *(continued)*

Current tax assets/liabilities

As at 31 December, current tax assets and liabilities comprised the following:

	31 December 2023	31 December 2022
Taxes on income	103.685	103.368
Less: Corporation taxes paid in advance	(85.366)	(85.477)
Foreign currency translation difference	(12.539)	(2.040)
Current tax liabilities/(assets), net	**5.780**	**15.851**

As at 31 December 2023, current tax liabilities on income amounting to USD 11.147 (31 December 2022: USD 38.177) is not offset with prepaid taxes amounting to USD 5.367 (31 December 2022: USD 22.327) since they are related to different tax jurisdictions.

Deferred tax assets and liabilities

Deferred tax is provided in respect of taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences relating to goodwill not deductible for tax purposes and the initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Unrecognised deferred tax assets and liabilities

As at 31 December 2023, deferred tax assets amounting to USD 5.250 have not been recognised with respect to the statutory tax losses carried forward as at 31 December 2023 (31 December 2022: USD 12.239). Such losses carried forward expire until 2025. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

The table below shows the expiration date of the tax losses carried forward for which no deferred asset has been recognised:

	2023	2022
2023	--	920
2024	1.073	130
2025	2.250	842
2025	8.493	56.620
2027	5.912	2.683
2028	1.607	--
Toplam	**19.335**	**61.195**

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29 Taxation *(continued)*

Unrecognised deferred tax assets and liabilities *(continue)*

Recognised deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities at 31 December are attributable to the items detailed in the table below:

Unrecognised deferred tax assets and liabilities *(continued)*

	2023		2022	
	Asset	Liability	Asset	Liability
Vacation pay liability	564	--	523	--
Employee severance indemnity	3.618	(61)	2.485	(2)
Provisions for litigations	1.157	7	931	(1)
Impairment provision of credits and receivables	347	--	368	--
Allowance for doubtful receivables	2.521	(1.214)	2.116	(1.015)
Provisions	3.621	--	2.046	(8)
Financial assets at FVTPL	--	(11.462)	1.670	(10.133)
Financial assets at FVTOCI	--	156	--	(306)
Financial assets at FVTOCI	4.051	--	9.967	--
Revaluation of financial investments	3.527	(3.709)	--	(3.988)
Inventories	(460)	(8.005)	464	(4.284)
Property, plant and equipment and intangible assets	125.496	(20.708)	175.581	(28.050)
Rights of use	(17)	(3.051)	15	(4.958)
Investment property	494	(17.254)	1.950	(8.093)
Construction in progress	(168)	--	--	(75)
Investment incentives	10.421	--	17.346	--
Tax losses carried forward	1.643	--	2.450	--
Trade and other receivables (including rediscount)	147	--	30	--
Service concession receivables	--	(46.837)	--	(23.146)
Security deposits	6.037	--	4.101	--
IAS 39 effect on loans and borrowings	1.771	(1.649)	854	(382)
IFRS 9, 15 and IFRIC 22 effects	3.858	--	2.459	(47)
Monetary gain/loss	15.656	--	--	--
Other temporary differences	18.988	(4.663)	22.311	(16.592)
Completion rate	580	(1.239)	2.511	(708)
Total deferred tax assets/(liabilities)	**203.852**	**(119.689)**	**250.178**	**(101.788)**
Set off of tax	(61.040)	61.040	(75.434)	75.434
Deferred tax assets/(liabilities), net	**142.812**	**(58.649)**	**174.744**	**(26.354)**

According to the Tax Procedural Law in Turkiye, statutory losses can be carried forward maximum for five years. Consequently, 2028 is the latest year for recovering the deferred tax assets arising from such tax losses carried forward.

At 31 December 2023, the Group's statutory nominal value of authorised and paid-in share capital is USD 210.761 (31 December 2022: USD 210.761) (comprising of 400.000.000 registered shares (31 December 2022: 400.000.000) having par value of TL 1 at full terms (31 December 2022: TL 1 at full terms) each).

(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

30 Capital and reserves

Paid in capital

At 31 December, the shareholding structure of Çalık Holding based on the number of shares are presented below:

	2023		2022	
	Thousands of s shares	*%*	*Thousands of shares*	*%*
Ahmet Çalık	368.000	92	368.000	92
Delta Netherlands B.V. (*)	32.000	8	32.000	8
	400.000	**100**	**400.000**	**100**

(*) The company's shareholder Ahmet Çalık transferred his shares nominal values of TL 32.000.000 having par value of TL 1, 32.000.000 shares at full terms to Delta Holding B.V. on 24 December 2018 decision of the Board of Directors.

Restricted reserves

The legal reserves are established by annual appropriations amounting to 5 percent of income disclosed in the Group's statutory accounts until it reaches 20 percent of paid-in share capital (first legal reserve). Without limit, a further 10 percent of dividend distributions in excess of 5 percent of share capital is to be appropriated to increase legal reserves (second legal reserve). The first legal reserve is restricted and is not available for distribution as dividend unless it exceeds 50 percent of share capital.

According to the 5th paragraph of the Corporate Tax Law numbered 5520, 75 percent of the capital gains arising from the sale of tangible assets and investments owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the restricted reserve within equity as a special fund with the intention to be utilised in a share capital increase within five years from the date of the sale. The remaining 25 percent of such capital gains are subject to corporate tax.

As at 31 December 2023, in the accompanying consolidated financial statements, special funds arising from the sale of associates classified to legal reserves excluding the non-controlling interest portion are amounting to USD 220.470 (31 December 2022: USD 175.120).

In the accompanying consolidated financial statements, the total legal restricted reserves excluding the non-controlling interest portion amounted to USD 664.833 as at 31 December 2023 (31 December 2022: USD 768.993).

Non-controlling interests

For the years ended 31 December, movements of the non-controlling interest were as follows:

	2023	*2022*
Non-controlling interest at the beginning of the year	**187.875**	**163.348**
IInflation effect	15.204	--
Balance at 1 January (revised)	**203.079**	**163.348**
Foreign currency translation differences and inflation effect	22.178	20.291
Net profit for the year attributable to non controlling interests	14.663	6.857
Change in fair value of FVOCI	--	29
Increase and decrease due to share buyback transactions	177	--
Addition and disposal of subsidiaries	--	3.186
Change of control in a subsidiaries	(13.649)	(6.415)
Change in fair value of available for sale investments	(9)	--
Actuarial gains/losses	(13)	92
Effect of the acquisition/(disposal) of non-controlling interests	(84)	4.102
Dividend distribution	(3.966)	(3.870)
Adjustment of change in share of non controlling interest in subsidiaries	(10)	--
Decrease due to other changes	(133)	255
Balance at the end of the year	**222.233**	**187.875**

30 Capital and reserves *(continued)*

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

31 Revenue and cost of sales

For the years ended 31 December, revenue and cost of sales comprised the following:

	2023	2022
Domestic sales	1.288.797	934.420
Export sales	892.153	1.068.189
Other sales	22.389	14.099
Sales discounts (-)	(11.097)	(12.248)
Subtotal	**2.192.242**	**2.004.460**
Cost of sales (-)	(1.726.838)	(1.508.431)
Gross profit from non-finance operations	**465.404**	**496.029**
Revenue from finance sector operations	695.673	574.568
Cost of revenues from finance sector operations (-)	(277.845)	(211.801)
Gross profit from finance sector activities	**417.828**	**362.767**
Gross profit	**883.232**	**858.796**

The depreciation and amortization expenses of USD 58.985 was recognized in the cost of sales (2022: USD 34.860)

32 General and administrative expenses, selling, marketing and distribution expenses, and research and development expenses and expenses by nature

For the years ended 31 December, general and administrative expenses comprised the following:

	2023	2022
Personel expenses	136.067	97.879
Depreciation and amortisation expenses	35.731	18.700
Commission expense	21.523	14.682
Insurance expenses	17.115	13.520
Maintenance, repair and technology expenses	16.003	13.580
Card Expenses	15.928	12.283
Taxes, duties and fees other than on income	10.830	8.151
Consulting expenses	8.078	7.339
Representation expenses	8.067	5.348
Telecommunication expenses	6.335	5.731
Travel and accommodation expenses	5.755	5.666
Rent expense	4.701	3.261
Other expenses	1.493	1.455
Other	21.689	21.062
Total	**309.315**	**228.657**

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32 General and administrative expenses, selling, marketing and distribution expenses, and research and development expenses and expenses by nature *(continued)*

For the year ended 31 December, selling, marketing and distribution expenses comprised the following:

	2023	2022
Advertising and promotion expenses	14.250	15.883
Personel expenses	9.268	7.667
Commission expense	5.180	7.655
Transportation expenses	2.439	2.997
Travel and accommodation expenses	1.726	1.725
Consulting expenses	1.547	1.963
Sample expenses	1.467	1.577
Rent expense	938	801
Depreciation and amortisation expenses	705	552
Maintenance and repair expenses	456	329
Taxes, duties and fees	351	287
Telecommunication expenses	47	58
Other	2.789	2.301
Total	**41.163**	**43.795**

For the year ended 31 December, research and development expenses comprised the following:

	2023	2022
Personnel expenses	5.507	3.749
Depreciation and amortization expenses	4.876	1.198
Field research expenses (*)	4.430	4.766
Consulting expenses	2.944	2.323
Taxes, duties and fees	2.100	606
Travel and accommodation expenses	999	1.527
Representation expenses	607	356
Other	1.481	300
Total	**22.944**	**14.825**

(*) Field research expenses consist by field research and development activities of the Group's subsidiaries operating in the field of mining and oil production.

For the year ended 31 December, personnel and depreciation and amortization expenses comprised the following.

	2023	2022
Personnel expenses		
Cost of sales	156.109	114.038
General and administrative expenses	136.067	97.879
Selling, marketing and distribution expenses	9.268	7.667
Research and development expenses	5.507	3.749
Total	**306.951**	**223.333**

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32 General and administrative expenses, selling, marketing and distribution expenses, and research and development expenses and expenses by nature *(continued)*

	2023	2022
Depreciation and amortization expenses		
Cost of sales	58.985	34.860
General and administrative expenses	35.731	18.700
Selling, marketing and distribution expenses	705	552
Research and development expenses	4.876	1.198
Total (*)	**100.297**	**55.310**

(*) The depreciation and amortization expense of USD 2.888 was recognised in the inventory. (31 December 2022: USD 574).

33 Other income and expense from operating services

For the years ended 31 December, other income from operating activities comprised the following:

	2023	2022
Foreign exchange gains	85.652	72.337
Recoveries/reversals of provisions made	22.037	45.960
Rediscount interest income	8.916	4.310
Gain on sale of marketable securities	4.384	60.581
Interest income related to income ceiling regulation, net	1.832	43
Investment incentive income	558	534
Other	13.393	1.656
Total	**136.772**	**185.421**

For the year ended 31 December, other expense from operating activities comprised the following:

	2023	2022
Provision expense for receivables from financial sector activities	23.073	44.513
Foreign exchange losses	--	59.838
Provision for doubtful receivables	18.730	9.622
Effect of waiver of other receivables from shareholders	15.743	--
Royalty payments (*)	5.235	--
Land lease line expenses	382	359
Realized guarantee cost expenses	60	17.701
Other	30.453	23.574
Total	**93.676**	**155.607**

(*) For the period ended December 31, 2023, royalty payments consist of payments related with net smelter return.

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34 Gain and loss from investing activities

For the years ended 31 December, gains from investing activities comprised the following:

	2023	2022
Gain on sale of subsidiary (*)	115.558	140.389
Gain on financial assets at FVTPL (Note 10)	58.242	51.422
Fair value gain on investment properties	44.070	31.818
Dividend income from equity securities held	13.245	47.111
Gain on sale of Investment properties (**)	963	17.795
Gain of derivative financial instruments	8.525	4.452
Gain on sale of property, plant and equipment	--	3
Other	10.948	13.972
Total	**251.551**	**306.962**

(*) Lidya Maden has sold 10% shares of Artmin Madencilik Sanayi ve Ticaret A.Ş. for an amount of USD 120 million in 2023 and recognized USD 115.558 gain from this sale. Lidya Maden has sold 30% shares of Kartaltepe Madencilik Sanayi ve Ticaret A.Ş. for an amount of USD 150 million in 2022 and recognized USD 140.191 gain from this sale.

(**) Gap İnşaat Yatırım ve Dış Ticaret A.Ş. has sold 43% of its investment property with a value of USD 61.895 (TL 825,000) to Mükafat Portföy Yönetimi A.Ş İkinci Gayrimenkul Yatırım Fonu. The sale price is USD 44.410 (TL 739.242) and the profit from sale amounting to USD 17.795 (TL 294.785) has been recognized in income from investment activities.

For the years ended 31 December, losses from investing activities comprised the following:

	2023	2022
Loss on financial assets at FVTPL (note 10)	178.374	40.677
Loos of derivative financial instruments	9.470	5.070
Fair value loss on investment properties	3.329	--
Loss on sale of subsidiary (**)	2.751	2.734
Loss on sale of property, plant and equipment	2.048	50
Provision for impairment/(loss) in value of associates (note 5) (*)	--	21.157
Other	3.352	996
Total	**199.324**	**70.684**

(*) Gap Pazarlama purchased the shares of Anateks Anadolu Tekstil without charge on 1 December 2022. As of the merger date, no payment was made for the shares of Anateks and USD 20.412 calculated over the net assets of the company at the merger date was recognized as an impairment loss.

(**) The Company liquidated "L'Or D'Afrique SARL" in 2023 and "Amethyst Holding N.V." and "Nouvelle Frontiere SARLU" in 2022.

35 Finance income and finance cost

For the years ended 31 December, finance income comprised the following:

	2023	2022
Foreign exchange gains related to borrowings	30.509	137.408
Interest Income	7.906	9.331
Other	171	246
Total	**38.586**	**146.985**

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35 Finance income and finance cost (continued)

For the years ended 31 December, finance cost comprised the following:

	2023	2022
Interest expenses related to borrowings	65.094	74.510
Foreign exchange gains related to borrowings	--	78.113
Bank commission expenses	4.254	4.317
Letters of guarantees commission expenses	6.496	4.587
Other charges and commission expenses	8.382	16.586
Total	**84.226**	**178.113**

36 Disclosure of interests in other entities

Information regarding the subsidiaries in which the Group has major non-controlling interests is as follows:

Subsidiaries	***Non-controlling interests***	***Profit attributable to non-controlling interests***	***Cumulative non-controlling interests***	***Dividends paid to non-controlling interests***
Çalık Enerji				
31 December 2023	4,58	14.313	47.845	(2.930)
31 December 2022	4,58	14.236	36.724	(3.870)

The consolidated financial information of Çalık Enerji before the Group's consolidation adjustments and eliminations is as follows:

Summary of Çalık Enerji's statement of financial position	**31 December 2023**	**31 December 2022**
Cash and cash equivalents	75.406	53.909
Trade receivables	289.188	258.928
Other current assets	635.977	543.901
Non-current assets	1.025.354	743.597
Total assets	**2.025.925**	**1.600.335**
Short term liabilities	78.847	38.452
Short term portion of long-term loans and borrowings	38.371	58.463
Other short-term liabilities	626.037	617.904
Long term liabilities	127.614	80.375
Total liabilities	**870.869**	**795.194**
Total equity	**1.155.056**	**805.141**
Total equity and liabilities	**2.025.925**	**1.600.335**

Summary of Çalık Enerji's statement of profit or loss	**2023**	**2022**
Revenue	1.564.425	1.373.601
Cost of sales	(1.231.573)	(1.064.389)
Other expenses from operating activities	(151.228)	(69.990)
Gain from investing activities	112.298	71.642
Finance income / (cost)	(26.825)	(18.934)
Tax incomes / (expenses)	45.412	58.914
Profit for the period	**312.509**	**350.844**

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37 Financial instruments – Fair values and risk management

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

Risk management activities are conducted by a realistic organizational structure and it is fully supported with the commitment of top-level management.

Group acts proactively in terms of risk management in order to ensure that its business operations in different industries and regions are not adversely affected as a result of market, operational, liquidity and counterparty risks. Risk Management and internal audit departments within each sector and at the Group level provide and maintain awareness for different types of risks, including emerging risks, and ensure that appropriate risk management mechanisms are in place.

Banking:

Risk management framework

For the Group's banking group, Aktifbank and BKT actively use collateral management as the major risk mitigation mechanism. The Board of Directors of the Group's banking group has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit Committee and Risk Management Department, which are responsible for developing and monitoring the Group's banking group's risk management policies in their specified areas. The Audit Committee has non-executive members and report regularly to the Board of Directors on their activities.

The Group's banking group's risk management policies are established to identify and analyse the risks faced, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group's banking group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Aktif Bank and BKT. The Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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37 Financial instruments – Fair values and risk management *(continued)*

Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

The Group's principal financial assets are cash and cash equivalents, financial investments, trade receivables and other receivables. The Group requires a certain amount of collateral in respect of its account receivable. Credit evaluations are performed on all customers requiring credit over a certain amount on individual level.

At reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

Banking:

Impaired loans and advances to customers and investment securities

Impaired loans and advances to customers and investment debt securities are those for which the Group's banking group determines that it is probable that it will be unable to collect all principal and interest due to according to the contractual terms of the loans and investment debt securities.

Allowance for impairment

The Group's banking and finance group establishes an allowance for impairment losses on assets carried at amortised cost that represents its estimate of incurred losses in its loans and advances to customers and investment in debt security portfolio. This allowance is a specific loss component that relates to individually significant exposures.

Due to the increase in the consumer loan portfolio of Aktifbank and the availability of the historical trends of the probability of default, starting from 1 January 2012, Aktifbank started to provide collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified except for loans and receivables subject to individual assessment for impairment.

Write-off policy

The Group's banking group write off a loan or investment debt security balance, and any related allowances for impairment losses, when the Group's banking subsidiaries determine that the loan or security is uncollectible. This determination is reached after considering information such as occurrence of significant changes in the borrower's / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be enough to pay back the entire exposure.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group's banking subsidiaries have made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

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37 Financial instruments – Fair values and risk management *(continued)*

Credit risk *(continued)***:**

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December was:

	Receivables							
	Trade receivables		Other receivables					
31 December 2023	**Related party**	**Third party**	**Related party**	**Third party**	**Cash at banks and other cash and cash equivalents (*)**	**Financial investments (**)**	**Receivables from finance sector operations**	**Derivatives**
Maximum credit risk exposure at reporting date (A+B+C+D)	**167.671**	**280.311**	**369.970**	**116.195**	**873.706**	**3.965.400**	**2.548.853**	**16.016**
Portion of maximum risk covered by guarantees	--	13.498	--	--	--	--	--	-
A. Carrying value of financial assets that are neither past due nor impaired	167.222	161.780	369.970	116.195	873.706	3.965.400	2.428.348	16.016
B.Carrying value of financial assets that are past due but not impaired	449	118.531	--	--	--	--	--	--
C. Carrying value of impaired assets	--	-	--	--	--	--	120.505	--
Past due (gross carrying amount)	--	31.146	--	6.065	--	--	165.815	--
- Impairment (-)	--	(31.146)	--	(6.065)	--	--	(45.310)	--
- The part of net value under guarantee with collateral etc	--	--	--	--	--	--	--	--
Not past due (gross carrying amount)	--	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--	--
D. Elements including credit risk on off statement of financial position	--	--	--	--	--	--	--	--

(*) Balances at central banks and cash on hand are excluded.

(**) Equity securities and investment funds are excluded.

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37 Financial instruments – Fair values and risk management *(continued)*

Credit risk *(continued)***:**

***Exposure to credit risk** (continued):*

	Receivables							
	Trade receivables		Other receivables					
31 December 2022	**Related party**	**Third party**	**Related party**	**Third party**	**Cash at banks and other cash and cash equivalents (*)**	**Financial investments (**)**	**Receivables from finance sector operations**	**Derivatives**
Maximum credit risk exposure at reporting date (A+B+C+D)	**163.042**	**256.522**	**382.721**	**142.085**	**867.038**	**3.562.916**	**2.401.234**	**14.192**
Portion of maximum risk covered by guarantees	--	13.642	-	-	-	-	-	-
A. Carrying value of financial assets that are neither past due nor impaired	163.042	180.693	306.044	141.119	867.038	3.562.916	2.315.039	14.192
B.Carrying value of financial assets that are past due but not impaired	-	75.829	76.677	966	-	-	-	-
C. Carrying value of impaired assets	-	-	-	-	-	-	86.195	-
Past due (gross carrying amount)	-	29.124	-	6.055	-	-	147.089	-
- Impairment (-)	-	(29.124)	-	(6.055)	-	-	(60.894)	-
- The part of net value under guarantee with collateral etc	--	--	--	--	--	--	--	--
Not past due (gross carrying amount)	--	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--	--
D. Elements including credit risk on off statement of financial position	--	--	--	--	--	--	--	--

(*) Balances at central banks and cash on hand are excluded.

(**) Equity securities and investment funds are excluded.

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37 Financial instruments – Fair values and risk management *(continued)*

Credit risk *(continued)***:**

Impairment losses

As of 31 December 2023, and 2022, the aging of trade receivables that are past due but not impaired was as below:

31 December 2023	Receivables Trade Receivables	 Other Receivables	Receivables from financial sector operations
Past due 0-30 days	9.871	--	--
Past due 1-3 months	13.739	--	--
Past due 3-12 months	2.111	--	--
More than one years	93.259	--	--
Total	**118.980**	--	--

31 December 2022	Receivables Trade Receivables	 Other Receivables	Receivables from financial sector operations
Past due 0-30 days	8.907	--	--
Past due 1-3 months	14.466	--	--
Past due 3-12 months	5.233	--	--
More than one years	47.223	77.643	--
Total	**75.829**	**77.643**	--

Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Group has access to funding sources from banks and keeps certain level assets as cash and cash equivalents. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Banking:

Management of liquidity risk

The Group's banking group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to their reputation.

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37 Financial instruments – Fair values and risk management *(continued)*

Liquidity risk *(continued):*

Banking:

Management of liquidity risk

The Group's banking group funds its short-term liquidity with interbank. In the case of long-term liquidity need, the Group's banking group utilises capital and debt market instruments. Additionally, the Group's banking group also funds itself from the domestic and foreign market when it needs additional funds.

Exposure to liquidity risk

The key measure used by the Group's banking group for managing liquidity risk is the ratio of net liquid assets to short-term loans and borrowings. Net liquid assets include cash and cash equivalents and trading debt securities for which there is an active market.

As 31 December, the followings are carrying amounts, contractual cash flows and the contractual maturities of financial liabilities are as follows:

31 December 2023	Carrying amount	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 year
Contractual maturities						
Non-derivative financial liabilities						
Payables related to finance sector operations	(6.718.766)	(6.724.078)	(4.580.312)	(1.226.842)	(864.296)	(52.628)
Loans and borrowings	(1.507.513)	(1.624.234)	(906.841)	(291.806)	(321.538)	(104.049)
	(8.226.279)	**(8.348.312)**	**(5.487.153)**	**(1.518.648)**	**(1.185.834)**	**(156.677)**
Expected maturities						
Non-derivative financial liabilities						
Trade payables	(219.403)	(219.402)	(176.238)	(43.118)	(46)	--
Other payable	(103.061)	(103.061)	(75.945)	(3.624)	(23.492)	--
Payable related to employee benefits	(12.444)	(12.444)	(11.512)	(932)	--	--
	(334.908)	**(334.907)**	**(263.695)**	**(47.674)**	**(23.538)**	**--**
Derivative financial instruments						
Inflow	16.016	16.016	16.016	--	--	--
Outflow	(4.967)	(5.015)	(5.015)	--	--	--

37 Financial instruments – Fair values and risk management *(continued)*

Liquidity risk *(continued)*

31 December 2022	Carrying amount	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 year
Contractual maturities						
Non-derivative financial liabilities						
Payables related to finance sector operations	(5.902.038)	(5.904.660)	(4.058.245)	(1.051.473)	(747.606)	(47.336)
Loans and borrowings	(1.773.188)	(1.904.530)	(1.079.167)	(322.384)	(444.961)	(58.018)
	(7.675.226)	**(7.809.190)**	**(5.137.412)**	**(1.373.857)**	**(1.192.567)**	**(105.354)**
Expected maturities						
Non-derivative financial liabilities						
Trade payables	(295.479)	(295.479)	(243.858)	(51.621)	--	--
Other payable	(82.185)	(82.186)	(57.645)	(3.379)	(21.162)	--
Payable related to employee benefits	(10.212)	(10.212)	(9.014)	(1.198)	--	--
	(387.876)	**(387.877)**	**(310.517)**	**(56.198)**	**(21.162)**	**--**
Derivative financial instruments						
Inflow	14.192	14.459	7.251	6.350	858	--
Outflow	(4.907)	(4.975)	(2.495)	(2.185)	(295)	--

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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37 Financial instruments – Fair values and risk management *(continued)*

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprise at different times or in differing amounts. In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference in reprising characteristics of the various floating rate indices, such as six months Libor and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's business strategies.

Profile

As at 31 December, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	2023	2022
Fixed rate instruments		
Financial assets	1.247.350	1.792.368
Financial liabilities	7.930.002	7.304.673
Variable rate instruments		
Financial assets	4.460.875	4.489.038
Financial liabilities	296.278	370.553

As of 31 December 2023, an increase of 100 basis points in interest rates dominated in Turkish Lira would have decreased profit or loss before tax and allocation of the non-controlling interest by USD 41.646 (31 December 2022: USD 46.486) Under the same conditions, a decrease of 100 basis points in interest rates dominated in Turkish Lira would have increased profit or loss by USD 41.646. This analysis assumes that all other variables remain constant (31 December 2022: USD 46.486).

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Group does not designate derivatives (interest rate swaps) as hedging instruments under fair value hedge accounting model. Therefore, a change in interest rate as of the reporting date would not affect profit or loss and equity.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. Such transactions with a currency other than the functional currency pose a currency risk.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group is exposed to currency risk through the impact of rate changes on the translation of foreign currency denominated payables and bank borrowings from financial institutions. Such risk is monitored by the Board of Directors and limited through taking positions within approved limits as well as using derivative instruments where necessary to minimise risk arising from foreign currency denominated statement of financial position items, the Group sometimes utilises derivative instruments as well as keeping part of its idle cash in foreign currencies.

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37 Financial instruments – Fair values and risk management *(continued)*

Currency risk *(continued)*

At 31 December 2023, the currency risk exposures of the Group in USD equivalents are as follows:

CURRENCY POSITION STATEMENT	**31 December 2023**			
	USD equivalent	**TL**	**EUR**	**Other(*)**
1. Trade Receivables	83.291	182.878	32.401	41.227
2a. Monetary financial assets	3.012.962	4.845.822	1.395.400	1.304.317
2b. Non-monetary financial assets	--	--	--	--
3. Other	381.769	687.586	301.925	24.326
4. Current assets (1+2+3)	**3.478.022**	**5.716.286**	**1.729.726**	**1.369.870**
5. Trade Receivables	3.692	56	742	2.869
6a. Monetary financial assets	2.238.054	24.435	1.605.482	460.728
6b. Non-monetary financial assets	--	--	--	--
7. Other	1.868	3.192	526	1.179
8. Non-current assets (5+6+7)	**2.243.614**	**27.683**	**1.606.750**	**464.776**
9. Total Assets (4+8)	**5.721.636**	**5.743.969**	**3.336.476**	**1.834.646**
10. Trade payables	(71.902)	(419.013)	(21.020)	(34.409)
11. Financial liabilities	(3.428.973)	(543.545)	(2.562.049)	(575.556)
12a. Other monetary liabilities	(1.096.098)	(211.735)	(245.425)	(817.338)
12b. Other non-monetary liabilities	(26)	--	--	(26)
13. Short term liabilities (10+11+12)	**(4.596.999)**	**(1.174.293)**	**(2.828.494)**	**(1.427.329)**
14. Trade payables	--	--	--	--
15. Financial liabilities	(786.665)	(449.294)	(581.036)	(128.477)
16a. Other monetary liabilities	(15.351)	--	(13.041)	(921)
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	**(802.016)**	**(449.294)**	**(594.077)**	**(129.398)**
18. Total liabilities (13+17)	**(5.399.015)**	**(1.623.587)**	**(3.422.571)**	**(1.556.727)**
19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)	**189.150**	**(22.000)**	**70.028**	**112.411**
19a. Hedged portion of assets amount	974.328	--	207.613	744.601
19b. Hedged portion of liabilities amount	(785.178)	(22.000)	(137.585)	(632.190)
20. Net foreign currencies assets / (liability) position (9+18+19)	**511.771**	**4.098.382**	**(16.067)**	**390.330**
21. Monetary items Net foreign currencies assets / (liability) position (TFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	**(60.990)**	**3.429.604**	**(388.546)**	**252.440**

(*) USD equivalents are given.

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37 Financial instruments – Fair values and risk management *(continued)*

Currency risk *(continued)*

At 31 December 2022, the currency risk exposures of the Group in USD equivalents are as follows:

CURRENCY POSITION STATEMENT	**31 December 2022**			
	USD equivalent	**TL**	**EUR**	**Other (*)**
1. Trade receivables	87.225	319.192	31.540	36.528
2a. Monetary financial assets	2.551.608	3.428.647	1.102.917	1.192.384
2b. Non-monetary financial assets	--	--	--	--
3. Other	313.411	94.607	262.876	28.090
4. Current assets (1+2+3)	**2.952.244**	**3.842.446**	**1.397.333**	**1.257.002**
5. Trade Receivables	(266)	--	--	(267)
6a. Monetary financial assets	2.120.837	23.532	1.420.736	604.883
6b. Non-monetary financial assets	--	--	--	--
7. Other	4.225	7.309	251	3.567
8. Non-current assets (5+6+7)	**2.124.796**	**30.841**	**1.420.987**	**608.183**
9. Total Assets (4+8)	**5.077.040**	**3.873.287**	**2.818.320**	**1.865.185**
10. Trade payables	(108.881)	(427.395)	(32.704)	(51.157)
11. Financial liabilities	(505.360)	(1.239.866)	(138.866)	(291.001)
12a. Other monetary liabilities	(3.426.104)	(328.012)	(2.226.200)	(1.035.133)
12b. Other non-monetary liabilities	(31.735)	--	(1.192)	(30.464)
13. Short term liabilities (10+11+12)	**(4.072.080)**	**(1.995.273)**	**(2.398.962)**	**(1.407.755)**
14. Trade payables	--	--	--	--
15. Financial liabilities	(183.012)	(1.028.307)	(85.266)	(37.112)
16a. Other monetary liabilities	(548.340)	(133.113)	(485.249)	(23.880)
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	**(731.352)**	**(1.161.420)**	**(570.515)**	**(60.992)**
18. Total liabilities (13+17)	**(4.803.432)**	**(3.156.693)**	**(2.969.477)**	**(1.468.747)**
19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)	**146.699**	**1.150**	**97.492**	**42.697**
19a. Hedged portion of assets amount	1.067.098	1.150	331.748	713.348
19b. Hedged portion of liabilities amount	(920.399)	--	(234.256)	(670.651)
20. Net foreign currencies assets / (liability) position (9+18+19)	**420.307**	**717.744**	**(53.665)**	**439.136**
21. Monetary items Net foreign currencies assets / (liability) position (=1+2a+5+6a+10+11+12a+14+15+16a)	**(12.293)**	**614.678**	**(413.092)**	**395.245**

(*) USD equivalents are given.

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37 Financial instruments – Fair values and risk management *(continued)*

Currency risk *(continued)*

Sensitivity analysis

A 10 percent strengthening/weakening of the USD against the other currencies below would have increased/(decreased) the comprehensive income and profit/loss (excluding the tax effect) of 31 December as follows:

	31 December 2023 Profit / (Loss)		31 December 2022 Profit / (Loss)	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
Increase/(decrease) 10% of TL parity				
1-TL net asset / liability	(13.922)	13.922	(3.389)	3.389
2-Hedged portion of TL amounts (-)	--	--	--	--
3-Net effect of TL (1+2)	**(13.922)**	**13.922**	**(3.389)**	**3.389**
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	1.778	(1.778)	5.721	(5.721)
5-Hedged portion of EUR amounts (-)	--	--	--	--
6-Net effect of EUR (4+5)	**1.778**	**(1.778)**	**5.721**	**(5.721)**
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	(39.033)	39.033	(43.914)	43.914
8-Hedged portion of other foreign currency amounts (-)	--	--	--	--
9-Net effect of other foreign currencies (7+8)	**(39.033)**	**39.033**	**(43.914)**	**43.914**
TOTAL (3+6+9)	**(51.177)**	**51.177**	**(42.032)**	**42.032**

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37 Financial instruments – Fair values and risk management *(continued)*

Capital management

The Group's objectives when managing capital include:

- To comply with the capital requirements required by the regulators of the financial markets where the Group operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders.

Banking:

Aktifbank

BRSA sets and monitors capital requirements for the Aktifbank regularly.

The capital adequacy ratio calculations are made in accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in Official Journal No 28337 of 28 June 2012 from 1 July 2012. Standard Method is used to calculate market risk, öö which is included in computation of capital adequacy ratio.

In implementing current capital requirements of BRSA requires Aktifbank to maintain a 12 percent ratio of total capital to total risk-weighted assets.

As at 31 December 2023, the Aktifbank's capital adequacy ratio is 19,35 percent (31 December 2022: 16,29 percent).

BKT

BKT's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholder's return is also recognised and BKT recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. There have been no material changes in BKT's management of capital during the period.

Regulatory capital: BKT monitors the adequacy of its capital using, among other measures, the rules and ratios established by the Albanian regulator, the Bank of Albania ("BoA"), which ultimately determines the statutory capital required to underpin its business. The regulation "On capital adequacy" is issued pursuant to Law No. 8269 date 23 December 1997 "On the Bank of Albania", and Law No. 9662 dated 18 December 2006 "On Banks in the Republic of Albania".

The Capital Adequacy Ratio is the proportion of the regulatory capital to risk weighted exposures, calculated as the sum of the risk-weighted exposure amounts, on- and off-statement of financial position for credit risk and for credit counterparty risk, capital requirement for market and operational risk. The minimum Capital Adequacy Ratio required by Bank of Albania is 12 percent, while BKT has maintained this ratio at 17,60 percent as at 31 December 2023 (31 December 2022: 17,20 percent).

In December 2023, BKT has reported Regulatory Capital Ratio, Tier 1 Capital Ratio and Common Equity Tier 1 Ratio as 17,60 percent, 16,52 percent and 16,52 percent, respectively. (31 December 2022: 17,22 percent, 15,87 percent and 15,87 percent, respectively).

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37 Financial instruments – Fair values and risk management *(continued)*

Risk-Weighted Assets (RWAs): For calculation of credit risk, exposures, on- and off-statement of financial position are classified in 15 exposure classes. In general terms, client/ issuer type, loan destination and collateral are the main determinants of the exposure class. Each exposure class has its own specific requirements on how to assess the appropriate risk weight and respective risk weighted exposures. For credit risk and counterparty risk is applied the Standardised Approach. Market risk capital requirements are calculated in case the BKT has a trading portfolio that fulfils the requirements defined by the regulation and/ or a total net open currency position that is larger than the defined minimum threshold. Operational risk capital requirement is calculated based on the Basic Indicator Approach.

Compliance: BKT and its individually regulated operations have complied with all internally and externally imposed capital requirements throughout the year.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions,
- Compliance with regulatory and other legal requirements,
- Documentation of controls and procedures,
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified,
- Requirements for the reporting of operational losses and proposed remedial action,
- Development of contingency plans,
- Training and professional development,
- Ethical and business standards,
- Risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit.

Fair value information

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted market price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs

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37 Financial instruments – Fair values and risk management *(continued)*

Fair value information *(continued)*

The table below shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023	Amortised costs	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total book value	Level 1	Level 2	Level 3	Total net realisable value
Financial assets measured at fair value								
Financial investments (**)	--	527.147	2.445.188	**2.972.335**	1.971.467	892.127	108.741	**2.972.335**
Derivatives (**)	--	16.016	--	**16.016**	--	16.016	--	**16.016**
Financial assets not measured at fair value								
Financial investments (**)	1.464.284	--	--	**1.464.284**	960.225	504.059	--	**1.464.284**
Trade receivables	447.982	--	--	**447.982**	--	--	--	--
Other receivables	486.165	--	--	**486.165**	--	--	--	--
Cash and cash equivalents	1.119.562	--	--	**1.119.562**	--	--	--	--
Receivables related to finance sector operations	2.548.853	--	--	**2.548.853**	--	--	--	--
Total	**6.066.846**	**543.163**	**2.445.188**	**9.055.197**	**2.931.692**	**1.412.202**	**108.741**	**4.452.635**
Financial liabilities measured at fair value								
Derivatives (**)	--	4.967	--	**4.967**	--	4.967	--	**4.967**
Financial liabilities not measured at fair value								
Liabilities								
Loans and borrowings (**)	1.507.513	--	--	**1.507.513**	--	--	1.507.513	**1.507.513**
Trade payables	219.403	--	--	**219.403**	--	--	--	--
Payables related to finance sector operations	6.718.766	--	--	**6.718.766**	--	--	--	--
Other payables (*)	30.692	--	--	**30.692**	--	--	--	--
Total	**8.476.374**	**4.967**	**--**	**8.481.341**	**--**	**4.967**	**1.507.513**	**1.512.480**

(*) Deposits and guarantees given are excluded from other liabilities.

(**) Carrying value and fair value of this assets and liabilities are the same.

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37 Financial instruments – Fair values and risk management *(continued)*

Fair value information *(continued)*

31 December 2022	Amortised costs	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total book value	Level 1	Level 2	Level 3	Total net realisable value
Financial assets measured at fair value								
Financial investments (**)	-	679.732	2.458.184	**3.137.916**	2.021.342	879.882	236.692	**3.137.916**
Derivatives (**)	-	14.192	-	**14.192**	-	14.192	-	**14.192**
Financial assets not measured at fair value								
Financial investments (**)	909.064	-	-	**909.064**	390.614	518.450	-	**909.064**
Trade receivables	419.564	-	-	**419.564**	-	-	-	-
Other receivables	524.806	-	-	**524.806**	-	-	-	-
Cash and cash equivalents	1.043.602	-	-	**1.043.602**	-	-	-	-
Receivables related to finance sector operations	2.401.234	-	-	**2.401.234**	-	-	-	-
Total	**5.298.270**	**693.924**	**2.458.184**	**8.450.378**	**2.411.956**	**1.412.524**	**236.692**	**4.061.172**
Financial liabilities measured at fair value								
Derivatives (**)	-	4.907	-	**4.907**	-	4.907	-	**4.907**
Financial liabilities not measured at fair value								
Loans and borrowings (**)	1.773.188	-	-	**1.773.188**	-	-	1.773.183	1.773.183
Trade payables	295.479	-	-	**295.479**	-	-	-	-
Payables related to finance sector operations	5.902.038	-	-	**5.902.038**	-	-	-	-
Other payables (*)	15.158	-	-	**15.158**	-	-	-	-
Total	**7.985.863**	**4.907**	-	**7.990.770**	-	**4.907**	**1.773.183**	**1.778.090**

(*) Deposits and guarantees given are excluded from other liabilities.

(**) Carrying value and fair value of these assets and liabilities are the same.

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37 Financial instruments – Fair values and risk management *(continued)*

Fair value information *(continued)*

Fair value hierarchy

The fair value hierarchy consists of three levels, depending upon whether fair values are determined based on quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable and which have significant impact on the fair value of the instrument (Level 3):

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: This category includes inputs that are quoted market prices (unadjusted) in active markets for identical instruments. These are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is representative of that being priced in the Group's portfolio.
- Level 2: This category includes inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: This category includes all instruments where the valuation technique uses inputs based on unobservable data, which could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant, unobservable adjustments or assumptions are required to reflect differences between instruments. Unobservable in this context means that there is little or no current market data available from which the price at which an arm's length transaction would be likely to occur can be derived.

Valuation models

The Group uses following assumptions to estimate the fair value of financial instruments:

Equity securities: Fair values of publicly traded equity securities are based on quoted market prices where available. In the case of where no quoted market is available, fair value is determined based on quoted prices for similar securities or other valuation techniques. Valuation techniques include discounted cash flow models and transaction multiple methods.

Valuation of equity securities designated as at fair value through profit or loss was carried out by an independent appraiser firm as at 31 December 2023. Discounted cash flow method was used as valuation method and the fair value of this investment was assessed USD 106.781 (31 December 2022: USD 236.692).

Debt securities: Fair values are based on quoted market prices, where available. Quoted market prices may be obtained from an exchange, dealer, broker, pricing service or regulatory service. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs, which may include values obtained from one or more pricing services or by a valuation technique that discounts expected future cash flows using a market interest rate curves, referenced credit spreads and maturity of the investment.

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37 Financial instruments – Fair values and risk management *(continued)*

Fair value information *(continued)*

Valuation models (continued)

Derivative assets and liabilities: Derivatives are valued using valuation techniques. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instruments. Observable prices or model inputs are usually available in the market for exchange-traded derivatives and simple over-the-counter derivatives.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The principal technique used to value these instruments are based on discounted cash flows. These valuation models calculate the present value of expected future cash flows. Inputs to valuation models are determined from observable market data where possible. The inputs used include prices available from exchanges, dealers, brokers or providers of consensus pricing, yield curves, credit spreads, default rates, recovery rates, volatility of underlying interest rates, equity prices and foreign currency exchange rates. These inputs are determined with reference to quoted prices, recently executed trades, independent market quotes, where available.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. For measuring derivatives, fair values taken into account both credit valuation adjustments and debit valuation adjustments.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to Consolidated Financial Statements

As at and for the Year Ended 31 December 2023

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38 Group enterprises

The consolidated financial statements aggregate financial information from the following entities:

Subsidiaries

The table below sets out the subsidiaries and their shareholding structure at 31 December:

	Direct controlling interest of Çalık Holding and its subsidiaries		*Effective ownership interest of Çalık Holding and its Subsidiaries*	
Company name	*2023*	*2022*	*2023*	*2022*
Adacami Enerji (1)	99,95	99,95	95,38	95,38
Agata Trading (1) (***)	100	--	95,42	--
Aktif Portföy (5)	80	80	79,89	79,89
Aktifbank	99,43	99,43	99,87	99,87
Aktiftech (5)	100	100	99,87	99,87
AB Sukuk Varlık (5) (***)	100	--	99,87	--
Akuamarin (5)	100	100	99,87	99,87
Ametist Solar (5)	100	100	99,87	99,87
Anateks (4)	100	100	99,91	99,91
Ant Enerji (1)	100	100	95,42	95,42
Asya Center (1)	100	100	95,42	95,42
Atayurt İnşaat (1)	99,75	99,75	95,20	95,20
Attivo (5)	99,88	99,88	99,74	99,74
Aytaşı (5)	100	100	99,87	99,87
Başak Yönetim	100	100	100	100,00
BKT	100	100	100	100,00
BKT Kosova (5)	100	100	100	100,00
Calik Denim B.V. (3)	100	100	99,80	99,80
CE Solaire 1 (1)	95	95	90,65	90,65
CE Solaire 2 (1)	95	95	90,65	90,65
Ce Solar D. Skopje (1)	100	100	95,42	95,42
CME Wakra Water WLL (1) (***)	25	--	23,86	--
Cetel Telekom	100	100	100	100,00
Çalık Albania Wind (1)	100	100	95,42	95,42
Çalık Alexandria (4)	100	100	99,86	99,86
Çalık Denim	99,80	99,80	99,80	99,80
Çalık Dijital	100	100	100	100,00
Çalık Enerji	99,9	99,9	95,42	95,42
Çalık Enerji Swiss A.G. (1)	100	100	95,42	95,42
Çalık Georgia (1)	100	100	95,42	95,42
Çalık Hava	100	100	100	100,00
Çalık İnşaat (2)	100	100	99,33	99,33
Çalık Japan (1)	100	100	95,42	95,42
Çalık Pamuk	86,39	86,39	86,39	86,39
Çalık Petrol	80	80	80	80,00
Çalık Proje (1)	100	100	96,75	96,75
Çalık Rüzgar (1)	95	95	90,65	90,65
Çalık Tarım (7)	100	100	86,39	86,39
ÇE Yenilebilir Enerji (1) (***)	100	--	95,42	--
ÇEDAŞ (1)	99,95	99,95	95,38	95,38
Çiğdem (5)	100	100	99,87	99,87
Defne (5)	100	100	99,87	99,87
Demircili (1)	85	85	81,11	81,11
Deniz Güneş Enerjisi (5)	100	100	99,87	99,87
Deutsche Tiefbau (2)	100	100	99,33	99,33

38 Group enterprises *(continued)*

Subsidiaries *(continued)*

	Direct controlling interest of Çalık Holding and its subsidiaries		*Effective ownership interest of Çalık Holding and its Subsidiaries*	
Company name	***2023***	***2022***	***2023***	***2022***
Doğal Hayat Jeotermal	50	50	40	40
Duru (5)	100	100	99,87	99,87
E-Kent (5)	100	99,87	99,87	99,73
E-Kent Europe Gmbh (5) (***)	100	--	99,87	--
Eko Biokütle (5)	100	100	99,87	99,87
Emlak Girişim (5)	100	100	99,87	99,87
Enrich Girişim (7) (***)	100	--	86,39	--
E-Post (5)	100	100	99,87	99,87
Esen (5)	100	100	99,87	99,87
Eurokos (1)	75	75	71,57	71,57
Gap Construction Co. (2)	100	100	99,33	99,33
Gap İnşaat	99,33	99,33	99,33	99,33
Gap İnşaat Dubai (2)	100	100	99,33	99,33
Gap İnşaat Katar (2)	100	100	99,33	99,33
Gap İnşaat Sudan (2)	100	100	98,55	98,55
Gap İnşaat Ukraine (2)	99	99	98,34	98,34
Gap Pazarlama	99,91	99,91	99,91	99,91
Gap Pazarlama FZE (4)	100	100	99,91	99,91
Gappa (4)	100	100	99,91	99,91
Gelincik (5)	100	100	99,87	99,87
Güneştaşı (5)	100	100	99,87	99,87
Innovative Construction (2)	100	100	99,33	99,33
Irmak Yönetim	100	100	100	100,00
İkideniz Petrol	99,99	99,99	99,99	99,99
İnovaban İnovasyon (5)	67	67	66,91	66,91
İpek (5)	100	100	99,87	99,87
Jasper Trading (1)	100	99	95,42	94,47
JSC Georgia (1)	85	85	81,11	81,11
Kaplan Gözü (5)	100	100	99,87	99,87
Kasımpatı (5)	100	100	99,87	99,87
Kentsel Dönüşüm (2) (*)	--	99,67	--	99,25
Kızılırmak (1)	100	100	95,42	95,42
Kuvars (5)	100	100	99,87	99,87
Lapis (5)	100	100	99,87	99,87
Leylak (5)	100	100	99,87	99,87
Lidya Aurasia (6)	100	100	99,29	99,29
Lidya Maden	99,29	99,29	99,29	99,29
Lidya Mali (6)	100	100	99,29	99,29
Lilyum (5)	100	100	99,87	99,87
Malatya Boya (3)	100	100	99,80	99,80
Martı (5)	100	100	99,87	99,87
Mehtap (5)	100	100	99,87	99,87
Momentum Enerji (1)	100	100	95,42	95,42
Nilüfer (5)	100	100	99,87	99,87
N-Kolay (5)	90,04	90,04	89,92	89,92

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38 Group enterprises *(continued)*

Subsidiaries *(continued)*

	Direct controlling interest of Çalık Holding and its subsidiaries		*Effective ownership interest of Çalık Holding and its Subsidiaries*	
Company name	***2023***	***2022***	***2023***	***2022***
Oniks (5)	100	100	99,87	99,87
Onyx (1)	100	100	95,42	95,42
OOO GAP (2)	100	100	99,33	99,33
Opal (5)	100	100	99,87	99,87
Passo Spor (5)	100	100	99,87	99,87
Pavo (5)	100	100	99,87	99,87
Polimetal Madencilik (6)	100	100	99,29	99,29
Saudi Jalik Energy Company (1)	100	100	95,42	95,42
Seher (5)	100	100	99,87	99,87
Sigortayeri (5)	100	100	99,87	99,87
Tanyeri (5)	100	100	99,87	99,87
Taşkent Merkez (1) (**)	--	100	--	95,42
TCB İnşaat (1)	100	100	95,42	95,42
Technological Energy (1)	100	100	95,42	95,42
Tunçpınar Madencilik (6)	70	50	69,50	49,64
Tura Moda (4)	100	100	99,91	99,91
Turkuvaz (5)	100	100	99,87	99,87
Türkmen'in Altın Asrı Elektrik (1)	97	97	92,63	92,63
Ufuk (5)	100	100	99,87	99,87
UPT (5)	100	100	99,87	99,87
Uption Europe Gmbh (5) (***)	100	--	99,87	--
Uztur (1)	100	100	95,42	95,42
White Construction N.V (2)	100	100	99,33	99,33
Yakamoz (5)	100	100	99,87	99,87
YEDAŞ (1)	100	100	95,38	95,38
Yeni Malatya (3) (***)	100	--	99,80	--
YEPAŞ (1)	100	100	95,38	95,38
Yeşilçay Enerji (1)	100	100	95,42	95,42

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38 Group enterprises *(continued)*

Joint ventures

The table below sets out the joint ventures and their shareholding structure at 31 December:

	Direct controlling interest of Çalık Holding and its subsidiaries		*Effectiveownership interest of Çalık Holding and its Subsidiaries*	
	2023	*2022*	*2023*	*2022*
Artmin Madencilik San. Ve Tic. A.Ş .(6)	60	70	59,57	69,50
Bakırtepe Madencilik San. Ve Tic. A.Ş. (6)	30	30	29,79	29,79
CYK Enerji Adi Ortaklığı (1)	99	99	95,42	95,42
Çalık Limak Adi Ortaklığı (1)	50	50	47,69	47,69
Doğu Aras Enerji Yatırımları Anonim Şirketi (1)	45,34	40	43,26	38,17
Dtm Enerji Yatırımları Adi Ortaklığı (1)	50	50	47,71	47,71
HMC Digital (5) (**)	--	33,33	--	33,29
Kartaltepe Madencilik Sanayi ve Ticaret Anonim Şirketi (6)	20	20	19,86	19,86
Kosova Çalık Limak Energy Sh.A. (1)	50	50	47,71	47,71
LC Electricity Supply and Trading d.o.o. (1)	50	50	46,31	46,31
Machinego Teknoloji Danışmanlık ve İş Makinaları Anonim Şirketi (5)	33,33	33,33	33,33	33,33
Pkn Enerji Hizmetleri Adi Ortaklığı (1)	50	50	47,71	47,71
Workindo (1)	66,67	66,67	65,10	65,10

Associates

The table below sets out the associates and their shareholding structure at 31 December:

	Direct controlling interest of Çalık Holding and its subsidiaries		*Effectiveownership interest of Çalık Holding and its Subsidiaries*	
Şirket adı	*2023*	*2022*	*2023*	*2022*
Aktif Bank Sukuk Varlık Kiralama Anonim Şirketi (5)	100	100	99,87	99,87
Aktif Fortis Enerji Anonim Şirketi ("Aktif Fortis") (5)	50	50	49,93	49,93
Albania Leasing Company (5)	29,99	29,99	29,99	29,99
Cydev Investment Ltd. (5)	99	99	99,87	99,87
Dome Zero Inc.(5)	1,98	1,98	1,98	1,98
Emyap Development Limited (5)	13,04	13,04	13,02	13,02
Euro-Mediterranean Investment Company Limited (5)	25,57	25,57	25,54	25,54
Halk Yenilenebilir Enerji Anonim Şirketi (5)	50	50	49,93	49,93
Idea Farm Ventures Limited (5)	30	30	29,96	29,96
Kazakhistan Ijara Company KIC Leasing (5)	14,32	14,32	14,30	14,30
Secom Aktif Elektronik Güvenlik Çözümleri A.Ş. (5)	100	100	49,93	49,93
Secom Aktif Güvenlik Yatırım Anonim Şirketi (5)	50	50	49,93	49,93
Silent Valley Partnership (5)	51	51	13,02	13,02
Tasfiye Halinde Haliç Finansal Kiralama Anonim Şirketi (5)	32	32	31,96	31,96
Lor Dafrique Sarlu (6) (**)	--	100	--	99,29

(*) Gap İnşaat A.Ş. merged with.

(**) Closed in 2023.

(***) It was established in 2023.

(****) Ownership changed in 2023.

1 Consolidated first under Çalık Enerji and then under the Group.

2 Consolidated first under Gap İnşaat and then under the Group.

3 Consolidated first under Çalık Denim, then under the Group.

4 Consolidated first under Gap Pazarlama and then under the Group.

5 Consolidated first under Financesector and then under the Group.

6 Consolidated first under Lidya Maden and then under the Group.

7 Consolidated first under Çalık Pamuk and then under the Group.

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39 Fees for services received from independent auditor/independent audit firm

The explanation of the services fee provided by independent audit firms prepared by the Group regarding the Board decision of the POA published in the Official Gazette on March 30, 2021 is as follows. The preparation principles are based on the POA letter dated August 19, 2021.

	31 December 2023	31 December 2022
Independent audit fee for the reporting period	1.920	856
Fee for other assurance services	78	4
Fees for tax consultancy services	302	67
Total	**2.300**	**927**

40 Subsequent events

Discussions are ongoing with ACG Acquisition Company Limited ("ACG") regarding the transfer of shares in Polimetal Madencilik San. ve Tic. A.Ş., a 100% subsidiary of Lidya Madencilik, and the process is ongoing.

On December 1, 2023, Çalık Enerji signed USD 2.345.000.000 (full amount) worth of contract with "Türkmenenergo" State Power Corporation of Ministry of Energy of Turkmenistan for the construction of a 1574 megawatt combined power plant in the Turkmenbashi district of the Balkan province, for the construction of the electrical energy transmission systems required for its connection to the energy system and for supply of spare parts for existing state power plants. Within the scope of this contract, an advance payment of USD 586.250.000 (full amount) was collected on March 12, 2024. At the Extraordinary General Assembly meeting held on April 4, 2024, Çalık Enerji increased its capital from USD 79.974.866,22 (full amount) to USD 125.000.266,08 (full amount) to be covered from profit reserves and extraordinary reserves (internal sources). The relevant capital increase was registered with the Turkish Trade Registry Gazette dated 15 April 2024 and numbered 11062.

Based on the Board of Directors' Decision numbered 2024/7 dated June 10, 2024 of Gap Pazarlama A.Ş., a subsidiary of the Group, the company's capital was increased from USD 53.012 to USD 60.372, and the entire amount of the increased USD 7.359 was covered by the Company's shareholder Çalık Holding A.Ş. Based on the Board of Directors' decision numbered 2024/9 dated June 30, 2024 of Gap Pazarlama A.Ş., it was decided to take over 100% of CLK İpekyolu Lojistik ve Ticaret A.Ş. shares belonging to CLK Logistics Holding N.V., 100% of CLK Transport and Trading FZE shares, 100% of Shanghai CLK International Trading CO. shares, 100% of CLK USA INC. shares, 60% of CB Int.Digital J.S.C. shares and 30% of AC Agro SSO. shares.

Çalık Petrol, after as of 31 December 2023, a subsidiary of the Group, has made a cash capital increase. The capital amount after the increase is USD 12.311.000.

The Group's energy group decided to partially split Çalık Elektrik Dağıtım Anonim Şirketi without any consideration in accordance with the Board of Directors' decision numbered 2024/04 dated 26 March 2024 and registered the split on 31 May 2024. The split Company became Çalık Infrastructure and Electric Services Joint Stock Company and the transferred Company started to operate as Genvera Energy Joint Stock Company.

ANNEXES

ÇALIK HOLDİNG

REPORTING GUIDELINE

Financial Reporting Guidelines

Type of Indicator: Economic Performance Indicators		
Indicators	**Definition of Indicators**	**Scope**
Consolidated Income	We refer to the total income of the company and its subsidiaries.	It covers the statement of consolidated financial position data of Çalık Holding and Group companies as of 31 December 2023.
Financial Liabilities	We refer to the company's liability to external resources.	It covers the statement of consolidated financial position data of Çalık Holding and Group companies as of 31 December 2023.
Total Asset	We refer to the total value of assets that the company owns.	It covers the statement of consolidated financial position data of Çalık Holding and Group companies as of 31 December 2023.
Total Shareholders' Equity	We refer to the net value of the company's assets.	It covers the statement of consolidated financial position data of Çalık Holding and Group companies as of 31 December 2023.
Gross Profit	We refer to the gross profit that the company gains from its activities.	It covers the statement of consolidated financial position data of Çalık Holding and Group companies as of 31 December 2023.

Environmental Reporting Guidelines

Type of Indicator: Environmental Performance Indicators		
Indicators	Definition of Indicators	Scope
Electric (kWh)	We refer to the total amount of electrical energy used in our air conditioning, lighting, electrical appliance use, and other operations requiring electricity.	2021: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes the data of YEDAŞ, which is the distribution business unit of Çalık Enerji.
Fuel Oil (L)	We refer to the total Fuel Oil amount in litres used in our operations.	2021: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, BKT Albania, BKT Kosovo.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, BKT Albania, BKT Kosovo.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, BKT Albania, BKT Kosovo.
		Special Disclosure: Çalık Enerji data also includes the data of YEDAŞ, which is the distribution business unit of Çalık Enerji.
Diesel (L)	We refer to the total Diesel amount in litres used in our operations.	2021: Covers the data of Çalık Enerji, Kosovo Çalık Limak Energy, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, Kosovo Çalık Limak Energy, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes the data of YEDAŞ, which is the distribution business unit of Çalık Enerji.

Indicators	Definition of Indicators	Scope
Scope 1 (Direct) Greenhouse Gas Emissions (tons CO_2e)	We refer to direct emissions owned and resulting from the controlled resources.	2021: Covers the data of Çalık Enerji, Gap İnşaat, Çalık Denim.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Gap İnşaat, Çalık Denim.
		2023: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
Scope 2 (Indirect) Greenhouse Gas Emissions (Location-Based) (tons CO_2e)	We refer to the greenhouse gas emissions occurring due to the electric energy consumption we purchase.	2021: Covers the data of Çalık Enerji, Gap İnşaat, Çalık Denim.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Gap İnşaat, Çalık Denim.
		2023: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Gap İnşaat, Çalık Denim, Lidya Madencilik.
Scope 3 (Indirect) Greenhouse Gas Emissions (tons CO_2e)	We refer to other indirect emissions occurring in the value chain.	2021: Covers the data of Gap İnşaat, Çalık Denim.
		2022: Covers the data of YEPAŞ, Gap İnşaat, Çalık Denim.
		2023: Covers the data of YEPAŞ, Kosovo Çalık Limak Energy, Gap İnşaat, Çalık Denim, Lidya Madencilik.
Total Waste Amount (tons)	We refer to total waste amounts. [Total Waste Amount = Total Hazardous Waste Amount + Total Non-hazardous Waste Amount]	2021: Covers the data of Çalık Enerji, YEPAŞ, Aras EDAŞ, GAP İnşaat, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aktif Bank, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aktif Bank, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes the data of YEDAŞ, which is the distribution business unit of Çalık Enerji.
Other Plastic Consumption (Disposable) (tons)	We refer to our disposable plastic consumption.	2021: Covers the data of Çalık Denim.
		2022: Covers the data of Çalık Denim.
		2023: Covers the data of Çalık Holding and Çalık Denim.

Indicators	Definition of Indicators	Scope
Total Paper Consumption (tons)	We refer to total paper amount resulting from our operations.	2021: Covers the data of Aras EPSAŞ, Çalık Denim.
		2022: Covers the data of Kosovo Çalık Limak Energy, Aras EPSAŞ, Aktif Bank, Çalık Denim.
		2023: Covers the data of Kosovo Çalık Limak Energy, Aras EPSAŞ, Aktif Bank, BKT Kosovo, Çalık Denim.
Recycling (tons)	We refer to the waste amount resulting from our operations and the amount we recycle.	2021: Covers the data of Çalık Enerji, Aras EDAŞ, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, Aras EDAŞ, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, Aras EDAŞ, Gap İnşaat, Çalık Denim, Lidya Madencilik.
Regular Storage (tons)	We refer to the waste amount resulting from our operations and the amount that is regularly stored.	2021: Covers the data of Çalık Denim and Lidya Madencilik.
		2022: Covers the data of Kosovo Çalık Limak Energy, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, Kosovo Çalık Limak Energy, Gap İnşaat, Çalık Denim, Lidya Madencilik.
Energy Recovery (tons)	We refer to the waste amount resulting from our operations and the amount of recovery.	2021: Covers the data of Çalık Enerji and Çalık Denim.
		2022: Covers the data of Çalık Enerji and Çalık Denim.
		2023: Covers the data of Çalık Holding, Çalık Enerji, Gap İnşaat, Çalık Denim.
Burning (tons)	We refer to the waste amount resulting from our operations and the amount burned.	2021: Covers the data of Çalık Enerji, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, Lidya Madencilik.
Total Disposed Waste (tons)	We refer to the total waste amount that we disposed as a result of our operations. [Total Amount of Disposed Waste = Recycling + Regular Storage + Energy Recovery + Burning]	2021: Covers the data of Çalık Enerji, Aras EDAŞ, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, Kosovo Çalık Limak Energy, Aras EDAŞ, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, Kosovo Çalık Limak Energy, Aras EDAŞ, Gap İnşaat, Çalık Denim, Lidya Madencilik.

Indicators	Definition of Indicators	Scope
Mains Water Usage (tons)	We refer to the mains water amount we use in our operations.	2021: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Gap İnşaat, Çalık Denim.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Gap İnşaat, Çalık Denim.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Gap İnşaat, Çalık Denim.
		Special Disclosure: Çalık Enerji data also includes the data of YEDAŞ, which is the distribution business unit of Çalık Enerji.
Groundwater (Well Water) Usage (tons)	We refer to the ground water amount we use in our operations.	2021: Covers the data of Çalık Denim and Lidya Madencilik.
		2022: Covers the data of Çalık Denim and Lidya Madencilik.
		2023: Covers the data of Çalık Denim and Lidya Madencilik.
Total Draught (tons)	We refer to the total water amount we draw from various sources. [Total Water Draught = Mains Water Used + Surface Water Used + Ground Water Used + Rain Water Used]	2021: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes the data of YEDAŞ, which is the distribution business unit of Çalık Enerji. Rainwater usage of Lidya Madencilik in 2023 is included.

Social Reporting Guidelines

Type of Indicator: Social Performance Indicators		
Indicators	Definition of Indicators	Scope
Company Headcount	We refer to the total number of employees (excluding our intern employees) who are followed up by our Human Resources teams and whose Employment Declaration is made to the Social Security Institution.	2021: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes the data of YEDAŞ, which is the distribution business unit of Çalık Enerji. Çalık Enerji's number of employees breaking by 2021, 2022, and 2023 was not included. The number of blue-collar employees and part-time employees of Aktif Bank for 2021, 2022, and 2023 is not included. The number of blue-collar employees of Gap Pazarlama for 2021, 2022, and 2023 is not included. The number of part-time employees of Lidya Madencilik for 2021, 2022, and 2023 and the total number of employees under the collective labour agreement for 2021 are not included.
Total Headcount for New Personnel	We refer to the number of people we have recently hired and declared to the Social Security Institution with the Employment Declaration during the reporting year.	2021: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji.
Number of Interns Hired in One Year	We refer to high school, associate degree, and undergraduate students who are followed up by our Human Resources teams and whose Employment Declaration is made to the Social Security Institution as intern students.	2021: Covers the data of Çalık Holding, Kosovo Çalık Limak Energy, Aras EDAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama.
		2022: Covers the data of Çalık Holding, Kosovo Çalık Limak Energy, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Kosovo Çalık Limak Energy, Aras EDAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.

Indicators	Definition of Indicators	Scope
Number of New Graduate Hired	We refer to our inexperienced employees who have recently graduated from educational institutions, whose Employment Declaration has been made to the Social Security Institution, and who are followed up by our Human Resources teams.	2021: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Gap Pazarlama, Lidya Madencilik.
Number of Employees Subject to Regular Performance and Career Development Evaluations	We refer to the number of employees whose performance and career development are monitored and regularly evaluated by our Human Resources department.	2021: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji.
Number of Total Training Delivered to Employees	We refer to the total training hours delivered to the employees who are followed up by our Human Resources department.	2021: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji.
Number of Total Training Delivered to Employees on OHS	We refer to the total number of hours of Occupational Health and Safety training, whether compulsory or not, according to the hazard class as part of Occupational Health and Safety laws and regulations, which our Human Resources department follows from training documents and in which our employees participate.	2021: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji. Training data of Çalık Enerji's employees and subcontractors are included in its Occupational Health and Safety training.

Indicators	Definition of Indicators	Scope
Number of Employees Receiving Training on OHS	We refer to the total number of employees who received mandatory or non-mandatory Occupational Health and Safety training according to the hazard class as part of Occupational Health and Safety laws and regulations.	2021: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Çalık Denim, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji. The number of Çalık Enerji subcontractors who received training is also included in the number of employees who received Occupational Health and Safety training.
Average Hours of Training Per Employee on OHS	We refer to the ratio of total hours of training attended by our employees, which is followed up by our Human Resources department from training documents, to the total number of employees. [Total OIHS Training Per Person = Total OHS Training Hours / Number of Employees Receiving Training on OHS]	2021: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Çalık Denim, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, Çalık Denim, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Çalık Denim, Lidya Madencilik.
		Special Disclosure: Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji. Training data of Çalık Enerji's employees and subcontractors are included in its Occupational Health and Safety training.
Total Number of Suppliers	We refer to the number of our suppliers with whom we have business relations in the reporting year. [Number of Total Suppliers = Number of Local Suppliers + Number of Foreign Suppliers]	2021: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
Number of Local Suppliers	We refer to the number of suppliers with whom we have business relations and who carry out their operations in the region outside our operation region in the reporting year.	2021: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.

Indicators	Definition of Indicators	Scope
Number of Foreign Suppliers	We refer to the number of suppliers with whom we have business relations in the reporting year and who carry out their operations in the region outside our operation region in the reporting year.	2021: Covers the data of Çalık Holding, Kosovo Çalık Limak Energy, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Holding, Çalık Enerji, Kosovo Çalık Limak Energy, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
Number of New Suppliers	We refer to the number of new supplier with whom we have had no business relations and have established business relations in the reporting year.	2021: Covers the data of Çalık Holding, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Çalık Denim.
		2022: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim.
		2023: Covers the data of Çalık Holding, Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim.
Total Number of Customers	"We refer to the number of customers with whom we have business relations in the reporting year. [Total Number of Customers = Number of Local Customers + Number of Foreign Customers]"	2021: Covers the data of YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, BKT Albania, Aktif Bank, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Enerji, YEPAŞ, Kosovo Çalık Limak Energy, Aras EDAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		Special Disclosure: Çalık Holding, Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji.
Number of Local Customers	We refer to the number of local customers (based on our operation region) with whom we have business relations in the reporting year.	2021: Covers the data of YEPAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		2023: Covers the data of Çalık Enerji, YEPAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama, Lidya Madencilik.
		Special Disclosure: Çalık Holding, Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji.
Number of Foreign Customers	We refer to the number of foreign customers (based on our operation region) with whom we have business relations in the reporting year.	2021: Covers the data of YEPAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama.
		2022: Covers the data of Çalık Enerji, YEPAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama.
		2023: Covers the data of Çalık Enerji, YEPAŞ, Aras EPSAŞ, Aktif Bank, BKT Albania, BKT Kosovo, Gap İnşaat, Çalık Denim, Gap Pazarlama.
		Special Disclosure: Çalık Holding, Çalık Enerji data also includes data from YEDAŞ, the distribution business arm of Çalık Enerji.

FINANCIAL PERFORMANCE INDICATORS

Financial Indicators	Unit	2021	2022	2023
Consolidated income	million TL	19,931	42,724	72,406
Financial liabilities	million TL	27,585	33,156	44,378
Total asset	million TL	139,511	211,154	369,489
Total shareholders' equity	million TL	26,476	46,120	90,118
Gross profit	million TL	6,833	14,227	22,529

ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Management	Unit	2021	2022	2023
Electricity	kWh	106,486,149.75	108,804,710.07	104,031,174.91
Fuel Oil	lt	1,277,497.71	1,259,734.69	1,564,962.31
Diesel (Forklift + Generator + Heating)	lt	645,985.70	3,114,455.82	5,273,758.57

Greenhouse Gas Emissions	Unit	2021	2022	2023
Scope 1	ton CO_2e	55,704.91	64,134.90	70,665.19
Scope 2 (Location-Based)	ton CO_2e	43,760.08	44,859.81	67,375.83
Scope 3	ton CO_2e	30,971.54	32,203.94	35,923.12

Water Management	Unit	2021	2022	2023
Mains Water Usage	tons	148,421.00	291,999.75	369,048.68
Groundwater Usage	tons	86,852.20	58,763.48	28,978.44
Total Draught	tons	235,273.20	350,763.23	460,802.12

Waste Management	Unit	2021	2022	2023
Total amount of waste	tons	32,845.23	145,605.96	280,659.24
Other plastic consumption (single use)	tons	82.22	80.45	77.36
Total paper consumption	tons	3,985.84	7,921.53	11,666.35

Waste Management by Disposal Method	Unit	2021	2022	2023
Recycling	tons	24,154.31	244,694.77	214,493.33
Landfills	tons	163.62	63,310.88	4,282.55
Energy Recovery	tons	4,516.94	7,837.18	325.60
Burning	tons	4,011.94	10,768.00	55,718.85
Total Disposed Waste	tons	32,846.81	326,610.83	274,820.32

SOCIAL PERFORMANCE INDICATORS

Number of Employees	2021	2022	2023
Company Headcount	9,475	9,884	9,941
Female	1,950	2,280	2,417
Male	6,167	7,604	7,524
Number of White Collar Employees	4,353	5,908	6,095
Female	1,931	2,256	2,388
Male	2,422	3,652	3,707
Number of Blue Collar Employees	3,754	3,976	3,846
Female	19	23	29
Male	3,735	3,953	3,817

OHS Training Hours	2021	2022	2023
Total hours of OHS training given to employees (person*hour)	210,461	431,745	536,069
Number of Employees Receiving Training on OHS	4,535	12,604	12,637
Average training hours per employee on OHS	46.41	34.25	42.42

Suppliers	2021	2022	2023
Total number of suppliers	6,634	14,036	15,004
Number of local suppliers	5,878	12,513	9,929
Number of foreign suppliers	756	1,523	5,075
Number of new suppliers	540	1,530	2,259

Customers	2021	2022	2023
Total number of customers	19,062,446	23,206,460	25,149,066
Number of local customers	15,948,338	19,870,070	21,568,701
Number of foreign customers	1,363,039	1,527,447	1,715,183

New Recruits	2021	2022	2023
Total number of newly recruited employees	1,683	3,394	2,863
Female	382	582	540
Male	1,027	2,812	2,323
Under 30 years old	854	1,270	1,108
Female	233	349	361
Male	511	921	747
30-50 (inclusive) years old	787	1,822	1,530
Female	101	183	172
Male	534	1,639	1,358
Over 50 years old	42	302	225
Female	0	6	5
Male	30	296	220
Number of interns hired in one year	233	369	380
Female	100	197	218
Male	133	172	162
Number of new graduates hired	166	233	254
Female	113	152	157
Male	53	81	97

Talent Management	2021	2022	2023
Number of employees subject to regular performance and career development evaluations	4,598	5,440	5,615
Female	1,691	1,949	2,066
Male	2,907	3,491	3,549
Number of total training delivered to employees	224,225	386,211	233,259

AWARDS AND ACHIEVEMENTS

Name of Award	Year of Award	Awarded by	Awarded Company	Awarded Project
CIO of the Year	2023	CXO Medya	Çalık Holding - Information Technologies Group Presidency	Çalık AI
Hall of Fame	2023	CXO Medya	Çalık Holding - Information Technologies Group Presidency	Data Oriented Transformation (DOT)

MEMBERSHIPS

The Ahmet Çalık Foundation	Ethics and Reputation Society	BSCD	She4Cyber (Kadir Has University)
Chamber of Computer Engineers (Adana and Istanbul)	Women in Tech (IDC)	TEDAR	Global Compact Signatories Association
Turkish Corporate Governance Association	Sheleads SEC (ISACA)	Turmepa	Binyaprak (Digital Sisterhood Platform)

GRI CONTENT INDEX

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GRI 2: General Disclosures 2021	2-1 Organizational details	Areas of Activity Regions of Activity	Page 10, 12	
	2-2 Entities included in the company's sustainability reporting	About the Report	Page 4	
	2-3 Reporting period, frequency and contact point	About the Report Contact	Page 4, 382	
	2-4 Restatements of information			No significant change has been observed compared to the previous reporting period.
	2-5 External assurance	About the Report	Page 4	
	2-6 Activies, value chain and other business relationships	Areas of Activity Our Group Companies	Page 10, 18	
	2-7 Employees	Employee Trainings Rights of Employees Employee Well-being Diversity and Inclusion	Page 125, 128, 138, 158	
	2-8 Workers who are not employees	Employee Trainings Rights of Employees Employee Well-being Diversity and Inclusion	Page 125, 128, 138, 158	
	2-9 Governance structure and composition	Board of Directors Senior Management Organizational Structure	Page 62, 64, 74	
	2-10 Nomination and selection of the highest governance body	Board of Directors Senior Management	Page 62, 64	
	2-11 Chair of the highest governance body	Board of Directors	Page 62	
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors Senior Management Sustainability Management	Page 62, 64, 90	

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GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Board of Directors Senior Management Sustainability Management	Page 62, 64, 90	
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	2-15 Conflicts of interest	Ethics and Compliance	Page 82	
	2-16 Communication of critical concerns	Ethics and Compliance	Page 82	
	2-17 Collective knowledge of the highest governance body	Board of Directors Resumes of the Board of Directors and Senior Management	Page 62, 65	
	2-18 Evaluation of the performance of the highest governance body	Board of Directors Senior Management Sustainability Management	Page 62, 64, 90	
	2-19 Remuneration policies	Remuneration and Employee Benefits	Page 129	
	2-20 Process to determine remuneration	Remuneration and Employee Benefits	Page 129	
	2-21 Annual total compensation ratio	Remuneration and Employee Benefits	Page 129	
	2-22 Statement on sustainable development strategy	Our Sustainability Targets Contribution to the Sustainable Development Goals	Page 100, 104	
	2-23 Policy commitments	Internal Audit Business Ethics and Transparency Regulatory Compliance Employee Satisfaction Rights of Employees Renumeration and Employee Benefits Occupational Health and Safety Social Contributions Social Responsibility Customer asnd Information Security Responsible Supply Chain	Page 81, 83, 127, 128, 129, 132, 140, 144, 164, 182	

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GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Internal Audit Business Ethics and Transparency Regulatory Compliance Employee Satisfaction Rights of Employees Renumeration and Employee Benefits Occupational Health and Safety Social Contributions Social Responsibility Customer asnd Information Security Responsible Supply Chain	Page 81, 83, 127, 128, 129, 132, 140, 144, 164, 182	
	2-25 Processes to remediate negative impacts	Regulatory Compliance	Page 86	
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance	Page 82	
	2-27 Compliance with laws and regulations	Regulatory Compliance	Page 86	
	2-28 Membership associations	Memberships	Page 364	
	2-29 Approach to stakeholder engagement	Stakeholder Colalboration and Interaction	Page 106	
	2-30 Collective bargaining agreements	Rights of Employees	Page 128	
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Çalık Holding's Material Sustainability Issues	Page 92	
	3-2 List of material topics	Çalık Holding's Material Sustainability Issues	Page 92	
	3-3 Management of material topics	Sustainability Management Çalık Holding's Material Sustainability Issues	Page 90, 92	

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Corporate Governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Çalık Holding's Material Sustainability Issues	Page 92	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics and Compliance	Page 82	
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Compliance	Page 82	
	205-3 Confirmed incidents of corruption and actions taken	Ethics and Compliance	Page 82	
Ethics and Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Çalık Holding's Material Sustainability Issues	Page 92	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions against anti-competitive behavior, anti-trust, and monopoly practices	Ethics and Compliance	Page 82	
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GRI 3: Material Topics 2021	3-3 Management of material topics	Çalık Holding's Material Sustainability Issues	Page 92	
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	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Trainings	Page 124	
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	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety Social Peformance Indicators	Page 132, 362	
	403-3 Occupational health services	Occupational Health and Safety Social Peformance Indicators	Page 132, 362	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Social Peformance Indicators	Page 132, 362	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Social Peformance Indicators	Page 132, 362	
	403-6 Promotion of worker health	Occupational Health and Safety Social Peformance Indicators	Page 132, 362	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Social Peformance Indicators	Page 132, 362	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety Social Peformance Indicators	Page 132, 362	
	403-9 Work-related injuries	Occupational Health and Safety Social Peformance Indicators	Page 132, 362	
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GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Social Responsibility	Page 144	
	304-2 Significant impacts of activities, products and services on biodiversity	Social Responsibility	Page 144	

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GRI 405: Diversity and Equal Opportunity 2015	405-1 Diversity of governance bodies and staff	Diversity and Inclusion Social Peformance Indicators	Page 158, 362	
	405-2 Ratio of basic salaries and wages of women to men	Remuneration and Employee Benefits	Page 130	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and Inclusion Right of Employees	Page 128, 158	
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GRI 418: Customer Confidentiality 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer and Information Security	Page 164	
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GRI 3: Material Topics 2021	3-3 Management of material topics	Çalık Holding's Material Sustainability Issues	Page 92	
GRI 204: Purchasing Practices 2016	204-1 Proportion of spending on local suppliers	Responsible Supply Chain Social Peformance Indicators	Page 182, 362	
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	305-2 Energy indirect (Scope 2) GHG emissions	Emission Management Environmental Peformance Indicators	Page 188, 360	
	305-3 Other indirect greenhouse gas emissions (Scope 3)	Emission Management Environmental Peformance Indicators	Page 188, 360	
	305-4 GHG emissions intensity	Emission Management Environmental Peformance Indicators	Page 188, 360	
	305-5 Reduction of GHG emissions	Emission Management Environmental Peformance Indicators	Page 188, 360	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management Environmental Performance Management	Page 193, 360	
	302-2 Energy consumption outside the organization	Energy Management Environmental Performance Management	Page 193, 360	
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GRI 306: Wastes 2020	306-1 Waste generation and significant waste-related impacts	Waste Management Environmental Peformance Indicators	Page 203, 360	
	306-2 Management of significant waste-related impacts	Waste Management Environmental Peformance Indicators	Page 203, 360	
	306-3 Waste produced	Waste Management Environmental Peformance Indicators	Page 203, 360	
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