

Çalık Holding Anonim Şirketi and its Subsidiaries

**Condensed Consolidated Interim Financial Statements As at
and For the Six-Month Period Ended 30 June 2022 With
Independent Auditor’s Report on Review of Condensed
Consolidated Interim Financial Information**

23 November 2022

This report includes 1 pages of independent auditor’s report on review of condensed consolidated interim financial information and 69 pages of condensed consolidated interim financial statements together with their explanatory notes.

Çalık Holding Anonim Şirketi and its Subsidiaries

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Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of Çalık Holding Anonim Şirketi,

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Çalık Holding Anonim Şirketi (the Company) and its subsidiaries (the Group) as of 30 June 2022 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement cash flows for the six-month period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of matter

Within the scope of our limited review of the consolidated financial statements for the 30 June 2022 interim period, the changes made in the consolidated financial statements for the 31 December 2021, 31 December 2020 and 30 June 2021 accounting periods are explained in footnote 2.f.

Other matter

We have expressed an unqualified conclusion in our auditor's report dated 31 October 2022 on the consolidated financial statements of the Group for the period of 1/1/2022-30/06/2022, which are prepared in accordance with Turkish Accounting Standards and presented in Turkish Lira ("TL"). The accompanying interim condensed consolidated financial statements are presented in US Dollar ("USD").



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

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

Kaan Birdal, SMMM
Partner

23 November 2022
Istanbul, Turkey

Çalık Holding Anonim Şirketi and its Subsidiaries
Interim Condensed Consolidated Statement of Financial Position
As at 30 June 2022
(Amounts expressed in thousands of USD unless otherwise stated.)

Assets	Notes	30 June 2022	Reviewed	
			Restated (Note 2.f) 31 December 2021	Restated (Note 2.f) 31 December 2020
Current assets				
Cash and cash equivalents	8	953.524	1.271.777	897.487
Financial investments	9	1.251.242	1.237.348	1.427.561
Financial assets related to concession agreements	10	48.171	43.447	60.150
Trade receivables	11	557.816	458.158	394.769
<i>Due from related parties</i>	7	156.320	151.175	76.624
<i>Due from third parties</i>		401.496	306.983	318.145
Receivables related to finance sector operations	12	942.066	761.144	648.345
<i>Due from related parties</i>	7	1.938	2.146	3.480
<i>Due from third parties</i>		940.128	758.998	644.865
Other receivables		142.834	100.290	228.612
<i>Due from related parties</i>	7	22.162	18.101	49.873
<i>Due from third parties</i>		120.672	82.189	178.739
Contract assets		194.649	130.164	71.291
<i>Contract assets arising from ongoing construction and contracting works</i>		194.649	130.164	71.291
Inventories		308.518	251.569	228.773
Derivatives	20	31.563	27.610	13.332
Prepayments		174.834	89.652	117.951
Current tax assets	23	15.866	8.929	2.413
Other current assets		674.886	720.169	710.822
Subtotal		5.295.969	5.100.257	4.801.506
Assets held for sale		39.797	59.949	60.678
Total current assets		5.335.766	5.160.206	4.862.184
Non- current assets				
Trade receivables	11	23.253	55.745	35.407
<i>Due from related parties</i>	7	1.661	545	1.846
<i>Due from third parties</i>		21.592	55.200	33.561
Receivables related to finance sector operations	12	1.386.273	1.560.379	1.964.341
<i>Due from related parties</i>	7	--	--	4
<i>Due from third parties</i>		1.386.273	1.560.379	1.964.337
Other receivables		333.963	338.857	326.000
<i>Due from related parties</i>	7	320.002	320.003	320.005
<i>Due from third parties</i>		13.961	18.854	5.995
Financial investments	9	2.214.347	2.204.832	1.876.437
Financial assets related to concession agreements	10	82.491	130.034	194.309
Investments in equity-accounted investees	14	176.290	177.616	222.030
Investment properties	18	59.403	81.584	130.338
Property, plant and equipment	15	313.018	460.790	564.813
Intangible assets	16	117.653	146.712	153.719
<i>Goodwill</i>		21.202	26.503	3.532
<i>Other intangible assets</i>		96.451	120.209	150.187
Right of use assets	17	20.454	47.073	45.805
Prepayments		27.156	37.856	78.448
Deferred tax assets		101.364	52.599	51.349
Other non-current assets		736	783	532
Total non-current assets		4.856.401	5.294.860	5.643.528
Total assets		10.192.167	10.455.066	10.505.712

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Interim Condensed Consolidated Statement of Financial Position
As at 30 June 2022 (continued)

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

Liabilities	Notes	30 June 2022	Reviewed	
			Restated (Note 2.f) 31 December 2021	Restated (Note 2.f) 31 December 2020
Short term liabilities				
Short term loans and borrowings	19	1.062.727	1.460.030	1.699.259
Short term portion of long-term loans and borrowings	19	219.331	158.545	175.795
Derivatives	20	12.585	4.112	19.557
Trade payables	11	237.639	284.649	270.160
<i>Due to related parties</i>	7	3.331	3.221	12.695
<i>Due to third parties</i>		234.308	281.428	257.465
Payables related to finance sector operations	12	4.744.359	4.827.725	4.778.821
<i>Due to related parties</i>	7	34.853	18.308	30.286
<i>Due to third parties</i>		4.709.506	4.809.417	4.748.535
Payables related to employee benefits		11.774	8.266	7.763
Other payables		49.450	30.170	53.794
<i>Due to related parties</i>	7	223	1	23.798
<i>Due to third parties</i>		49.227	30.169	29.996
Contract liabilities		104.938	53.291	42.534
<i>Contract liabilities arising from ongoing construction and contracting works</i>		104.938	53.291	42.534
Deferred revenue		293.894	200.515	124.678
Current tax liabilities	23	27.821	20.107	7.767
Short term provisions	21	31.496	31.481	42.204
<i>Short term employee benefits</i>	21	13.729	14.221	18.208
<i>Other short-term provisions</i>	21	17.767	17.260	23.996
Other short-term liabilities		133.091	73.298	81.479
Subtotal		6.929.105	7.152.189	7.303.811
Liabilities held for sale		--	739	11.896
Total short-term liabilities		6.929.105	7.152.928	7.315.707
Long term liabilities				
Long term loans and borrowings	19	431.400	450.999	502.266
Trade payables	11	--	4	4.886
<i>Due to third parties</i>	7	--	4	4.886
Payables related to finance sector operations	12	660.062	661.127	500.758
<i>Due to third parties</i>	7	660.062	661.127	500.758
Other payables		41.962	45.656	52.554
<i>Due to third parties</i>	7	41.962	45.656	52.554
Contract liabilities		44.570	30.689	46.595
<i>Contract liabilities arising from ongoing construction and contracting works</i>		44.570	30.689	46.595
Deferred revenue		96.508	94.472	93.083
Long term provisions	21	11.145	11.837	13.103
<i>Long term employee benefits</i>	21	11.065	10.770	11.849
<i>Other long-term provisions</i>	21	80	1.067	1.254
Deferred tax liabilities		27.222	25.409	39.527
Other long-term liabilities		--	--	385
Total long-term liabilities		1.312.869	1.320.193	1.253.157
Total liabilities		8.241.974	8.473.121	8.568.864

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Interim Condensed Consolidated Statement of Financial Position
As at 30 June 2022 (continued)

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

		Reviewed	
	Notes	Restated (Note 2.f) 31 December 2021	Restated (Note 2.f) 31 December 2020
Equity			
Equity attributable to the owners of the Company			
Share capital	210.761	210.761	210.761
Adjustment to share capital	3.388	3.388	3.388
Other comprehensive income that is or will not be reclassified to profit or loss	(5.304)	(5.153)	(2.545)
Accumulated re-measurements loss of defined benefit plans	(5.304)	(5.153)	(2.356)
Revaluation fund	--	--	(189)
Other comprehensive income that is or may be reclassified to profit or loss	(1.247.418)	(832.113)	(323.327)
Currency translation differences	(1.151.307)	(848.868)	(391.576)
Fair value of debt financial assets at fair value	(96.111)	16.755	68.249
Restricted reserves	766.135	720.867	699.203
Retained earnings	1.681.609	1.204.195	928.775
Profit for the year	375.422	516.652	297.014
Total equity attributable to the owners of the Company	1.784.593	1.818.597	1.813.269
Total non-controlling interests	165.600	163.348	123.579
Total equity	1.950.193	1.981.945	1.936.848
Total equity and liabilities	10.192.167	10.455.066	10.505.712

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Interim Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income
For the Six-Month Period Ended 30 June 2022
(Amounts expressed in thousands of USD unless otherwise stated.)

		<i>Reviewed</i>	
		<i>Restated (Note 2,f)</i>	
PROFIT OR LOSS	Notes	1 January- 30 June 2022	1 January- 30 June 2021
Revenue	24	893.108	763.651
Revenue from finance sector operations	24	297.018	263.519
Gross profit from non-finance sector operations	24	1.190.126	1.027.170
Cost of sales (-)	24	(662.357)	(549.928)
Cost of revenue from finance sector operations (-)	24	(108.837)	(114.100)
Gross profit from finance sector operations	24	(771.194)	(664.028)
Gross profit	24	418.932	363.142
General and administrative expenses		(121.356)	(120.164)
Selling, marketing and distribution expenses		(17.914)	(16.658)
Research and development expenses		(6.352)	(4.414)
Other income from operating activities		112.569	43.829
Other expenses from operating activities		(63.088)	(49.664)
Operating profit		322.791	216.071
Gain from investing activities		70.587	75.399
Loss from investing activities		(59.080)	(63.317)
Share of profit of equity accounted investees	14	683	18.566
Operating profit before finance costs		334.981	246.719
Finance income		122.885	87.127
Finance costs		(58.418)	(107.327)
Net finance costs		64.467	(20.200)
Profit before tax from continuing operations		399.448	226.519
Current tax expense	23	(55.532)	(33.749)
Deferred tax income / (expense)	23	35.447	(3.446)
Total tax expense		(20.085)	(37.195)
Profit from continuing operations		379.363	189.324
Profit for the period		379.363	189.324

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Interim Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income
For the Six-Month Period Ended 30 June 2022 (*continued*)
(Amounts expressed in thousands of USD unless otherwise stated.)

	<i>Reviewed</i>	
	<i>Restated (Note 2.f)</i>	
	1 January- 30 June 2022	1 January- 30 June 2021
OTHER COMPREHENSIVE INCOME		
Profit for the period	379.363	189.324
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences for foreign operations and reporting currency translation differences	(266.501)	(146.715)
Change in fair value of debt financial assets at fair value through other comprehensive income	(150.504)	(15.312)
Deferred tax expense	37.626	3.828
Total	(379.379)	(158.199)
Items that are or will not be reclassified to profit or loss		
Actuarial gains (losses)	(204)	65
Deferred tax income / (expense)	51	(16)
Total	(153)	49
Total other comprehensive expense	(379.532)	(158.150)
Total comprehensive income	(169)	31.174
Total profit for the period attributable to:		
Owners of the Company	375.422	184.666
Non-controlling interests	3.941	4.658
Net profit for the period	379.363	189.324
Total comprehensive income attributable to:		
Owners of the Company	(11.426)	20.307
Non-controlling interests	11.257	10.867
Total other comprehensive income	(169)	31.174

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2022

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

Attributable to owners of the Company												
			Restricted reserves	Accumulative other comprehensive income / (expense) that are or will not be reclassified to profit or loss		Accumulative other comprehensive income / (expense) that are or may be reclassified to profit or loss		Retained earnings				
	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 2020 (previously reported)	210.761	3.388	699.203	(189)	(2.415)	68.249	(405.280)	842.023	359.209	1.774.949	118.478	1.893.427
Effect of restatement (Note 2.f)	--	--	--	--	59	--	13.704	86.752	(62.195)	38.320	5.101	43.421
Balances at 1 January 2021 (restated)	210.761	3.388	699.203	(189)	(2.356)	68.249	(391.576)	928.775	297.014	1.813.269	123.579	1.936.848
Total comprehensive income for the period												
Profit for the period	--	--	--	--	--	--	--	--	184.666	184.666	4.658	189.324
Other comprehensive income												
Net fair value change in financial assets available-for-sale	--	--	--	--	--	(11.484)	--	--	--	(11.484)	--	(11.484)
Actuarial gains	--	--	--	--	49	--	--	--	--	49	--	49
Transfers to retained earnings	--	--	--	--	--	--	--	(62.195)	62.195	--	--	--
Foreign currency translation differences for foreign operations and reporting currency translation differences	--	--	--	--	--	--	(152.924)	--	--	(152.924)	6.209	(146.715)
Other comprehensive income	--	--	--	--	49	(11.484)	(152.924)	(62.195)	62.195	(164.359)	6.209	(158.150)
Total comprehensive income for the period	--	--	--	--	49	(11.484)	(152.924)	(62.195)	246.861	20.307	10.867	31.174
Transactions with owners, recorded directly in equity												
Transactions with non-controlling shareholders	--	--	--	--	--	--	--	--	--	--	302	302
Transfers	--	--	1.677	189	--	--	--	357.343	(359.209)	--	--	--
Dividends paid	--	--	--	--	--	--	--	--	--	--	(4.611)	(4.611)
Total transactions with owners	--	--	1.677	189	--	--	--	357.343	(359.209)	--	(4.309)	(4.309)
Balances at 30 June 2021	210.761	3.388	700.880	--	(2.307)	56.765	(544.500)	1.223.923	184.666	1.833.576	130.137	1.963.713

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2022

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

<i>Attributable to owners of the Company</i>												
			<i>Restricted reserves</i>	<i>Accumulative other comprehensive income / (expense) that are or will not be reclassified to profit or loss</i>		<i>Accumulative other comprehensive income / (expense) that are or may be reclassified to profit or loss</i>		<i>Retained earnings</i>				
	<i>Paid-in capital</i>	<i>Adjustment to share capital</i>	<i>Legal reserves</i>	<i>Revaluation fund</i>	<i>Accumulated re-measurements loss of defined benefit plans</i>	<i>Fair value of debt financial assets at fair value</i>	<i>Translation reserve</i>	<i>Retained earnings</i>	<i>Profit / for the period</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
Balances at 31 December 2021 (previously reported)	210.761	3.388	720.867	--	(5.211)	16.755	(863.365)	1.179.643	511.975	1.774.813	156.056	1.930.869
Effect of restatement (Note 2.f)	--	--	--	--	58	--	14.497	24.552	4.677	43.784	7.292	51.076
Balances at 1 January 2022 (restated)	210.761	3.388	720.867	--	(5.153)	16.755	(848.868)	1.204.195	516.652	1.818.597	163.348	1.981.945
Total comprehensive income for the period												
Profit for the period	--	--	--	--	--	--	--	--	375.422	375.422	3.941	379.363
Other comprehensive income												
Net fair value change in financial assets available-for-sale	--	--	--	--	--	(112.866)	--	--	--	(112.866)	(12)	(112.878)
Actuarial gains	--	--	--	--	(151)	--	--	--	--	(151)	(2)	(153)
Foreign currency translation differences for foreign operations and reporting currency translation differences	--	--	--	--	--	--	(273.831)	--	--	(273.831)	7.330	(266.501)
Other comprehensive income	--	--	--	--	(151)	(112.866)	(273.831)	--	--	(386.848)	7.316	(379.532)
Total comprehensive income for the period	--	--	--	--	(151)	(112.866)	(273.831)	--	375.422	(11.426)	11.257	(169)
Transactions with owners, recorded directly in equity												
Capital increase in subsidiaries	--	--	--	--	--	--	--	--	--	--	1.998	1.998
Sale of subsidiary	--	--	--	--	--	--	(28.608)	6.406	--	(22.202)	(7.158)	(29.360)
Change in controlling in consolidated subsidiaries	--	--	--	--	--	--	--	(376)	--	(376)	83	(293)
Dividends paid	--	--	--	--	--	--	--	--	--	--	(3.928)	(3.928)
Transfers	--	--	45.268	--	--	--	--	471.384	(516.652)	--	--	--
Total transactions with owners	--	--	45.268	--	--	--	(28.608)	477.414	(516.652)	(22.578)	(9.005)	(31.583)
Balances at 30 June 2022	210.761	3.388	766.135	--	(5.304)	(96.111)	(1.151.307)	1.681.609	375.422	1.784.593	165.600	1.950.193

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Interim Condensed Consolidated Statement of Cash Flows
For the Six-Month Period Ended 30 June 2022
(Amounts expressed in thousands of USD unless otherwise stated.)

		<i>Reviewed</i>	
		<i>Restated (Note 2.f)</i>	
	Notes	1 January- 30 June 2022	1 January- 30 June 2021
A. CASH FLOWS FROM OPERATING / (USED IN) ACTIVITIES		352.104	(19.311)
Profit for the period		379.363	189.322
Adjustments to reconcile cash flow generated from operating activities:		14.539	124.464
Adjustments for depreciation and amortisation	15-16-17	28.128	37.152
Loss/(gain) on sale of derivative financial instruments		1.567	(3.374)
Adjustments for fair value gains/(losses) of financial investments		22.119	11.842
Adjustments for impairment (reversal) of other financial assets or investments		27.603	5.621
Adjustments for dividends		(36.269)	(39.765)
Adjustments for provision for doubtful receivables	11	2.909	478
Adjustments for inventory impairment, net		(17)	(1.080)
Adjustments for provision for long term employee benefits	21	4.915	372
Adjustments for provisions (cancellation) reserved for possible risks	12	14.540	13.438
Adjustments for gains(losses) on acquisitions or sale of associates, joint ventures and other financial investments	5	3.049	--
Adjustments for provisions for litigation	21	261	(416)
Adjustments for other provisions		2.861	576
Adjustments for share of (profit)/ loss of equity accounted investees	14	(683)	(18.566)
Adjustments for interest income, expenses and interest rediscount		(99.400)	(49.545)
Deferred financial expenses on forward purchases		339	208
Unrealized foreign currency loss/(income)		69.482	129.914
Adjustments for tax expense	23	20.085	37.195
Adjustments for other items that give rise to cash flows from investing or financing activities		(7.955)	--
Other adjustments related to profit and loss reconciliation		(10.698)	--
Adjustments for the gains and losses on sales of property, plant and equipment, net		(28.297)	414
Changes in working capital		(128.135)	(423.789)
Adjustments for change in inventories		(60.296)	(17.882)
Adjustments for change in trade receivables		(84.031)	(46.482)
Adjustments for change in payables related to employee benefits		4.218	3.101
Adjustments for change in other receivables, other current assets		6.938	(832)
Adjustments for change in contract assets and contract liabilities		817	5.066
Adjustments for change in financial assets related to concession agreements		9.110	(1.851)
Adjustments for change in assets held for sale		20.152	(851)
Adjustments for change in liabilities held for sale		(739)	70
Adjustments for change in receivables from finance sector operations		(11.712)	(170.031)
Adjustments for change in payables from finance sector operations		(84.431)	(150.005)
Change in restricted cash and cash equivalents		412	(20.149)
Adjustments for change in trade payables		(25.751)	(3.419)
Adjustments for change in prepayments		(76.707)	8.383
Adjustments for change in deferred income (except liabilities arising from consumer contracts)		97.919	(19.844)
Adjustments for change in other payables and other liabilities related with operating activities		75.966	(9.063)

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Cash Flows
For the Six-Month Period Ended 30 June 2022 (continued)
(Amounts expressed in thousands of USD unless otherwise stated.)

		<i>Reviewed</i>	
		<i>Restated (Note 2.f)</i>	
	Notes	1 January- 30 June 2022	1 January- 30 June 2021
Cash flows from operating activities		86.167	90.692
Employee termination indemnity paid	21	(173)	(779)
Other cash inflows (outflows)		1.205	2.735
Interest received		219.858	218.384
Interest paid		(92.928)	(109.069)
Collection from doubtful receivables	11	326	51
Taxes paid	23	(42.121)	(20.630)
B. CASH FLOWS USED IN INVESTING ACTIVITIES		(429.536)	(219.869)
Proceeds from redemption of financial assets at amortized cost		120.152	22.328
Acquisition of financial assets at amortised costs		(469.442)	(43.821)
Proceeds from sales of financial assets at FVTOCI		505.512	194.801
Acquisition of financial assets at FVTOCI		(607.283)	(358.555)
Proceeds from the sale of investments in financial assets at FVTPL		491.584	8.430
Acquisitions of financial assets at FVTPL		(505.403)	(55.721)
Proceeds from sales of property, plant and equipment and intangible assets		36.513	3.452
Acquisition of property, plant and equipment	15	(57.396)	(24.642)
Acquisition of intangible assets	16	(12.359)	(13.607)
Proceeds from sales of investment property	18	29.858	--
Acquisition of investment property	18	--	(2.002)
Formation and capital contribution of share capital of equity accounted investees	14	(659)	(2.227)
Cash inflows from dividends and other financial instruments		36.269	54.410
Participation by non-controlling shareholders in subsidiaries' capital increases		(293)	--
Proceeds from / (repayment of) derivative financial instruments		2.954	(3.017)
Capital increase in non-controlling shares		1.996	302
Other cash outflows	5	(1.539)	--
C. CASH FLOWS FROM FINANCING ACTIVITIES		(240.409)	(63.173)
Proceeds from the funding of related parties		36.199	(20.220)
Dividend payment		(3.929)	(4.611)
Proceeds from / (repayment of) loans and borrowings, net		(245.149)	21.428
Interest paid		(27.530)	(59.770)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(317.841)	(302.353)
D. CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD		1.233.722	844.978
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	8	915.881	542.625

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

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

Notes to the interim condensed consolidated interim financial statements

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Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

(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, telecommunication, 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/Turkey, on 20 March 1997.

As at 30 June 2022, Çalık Holding has 110 (31 December 2021: 112) subsidiaries (“the Subsidiaries”), 12 (31 December 2021: 10) joint ventures (“the Joint Ventures”), and 23 (31 December 2021: 22) associates (“the Associates”) (referred to as “the Group” or “Çalık Group” here in and after). The condensed consolidated interim financial statements of the Group as at and for the six-month period ended 30 June 2022 comprises Çalık Holding and its subsidiaries and the Group’s interest in associates and joint ventures.

As at 30 June 2022, the number of employees of the Group is 13.317 (31 December 2021: 12.146).

As explained in more detail in Note 6, as at 30 June 2022 the Group operates mainly under six segments:

- Energy
- Construction
- Textile
- Marketing
- Mining
- Banking and finance

As 30 June 2022, the new addition to the group as follows:

Company Name	Type of partnership	Country	Sector
Aktiftech Teknoloji Anonim Şirketi	Subsidiary	Turkey	Banking and Finance
Machinego Teknoloji Danışmanlık ve İş Makinaları A.Ş.	Subsidiary	Turkey	Energy
Çalık Albania Wind Sh.P.K./Llc	Subsidiary	Albania	Energy
Ce Solar Dooel Skopje	Subsidiary	Albania	Energy

As 30 June 2022, the direct and effective ownership interests of the Group’s Subsidiaries, Joint Ventures and Subsidiaries are as follows:

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

Entities in energy segment

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

(*) The subsidiaries of the Group, Çalık Georgia LLC, ÇL Enerji Üretim ve İnşaat A.Ş., Saudi Jalik Energy Company, Workindo Technology and Human Resources Consultancy Inc., Jasper Trading, DTM Energy Investments Ordinary Partnership, PKN Energy Investments Ordinary Partnership, Çalık Enerji Japan G.K., Eurokos D.d L.L.C, Machinego Teknoloji Danışmanlık Ve İş Makinaları A.Ş, Çalık Albania Wind Sh.P.K./Llc and Ce Solar Dooel Skopje companies are included in the consolidated financial statements as of 30 June 2022 and for the accounting period ending on the same date. They are not included in the consolidation due to their immaterial effects.

(**) Established in 2022.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

Adacami Enerji

Adacami Enerji was established in December 2009, for the purpose of renting and operating electricity facility and selling electricity.

Ant Enerji

Ant Enerji was established in 2006, in Istanbul for the purpose of marketing, selling and distribution of energy.

Atayurt İnşaat

Atayurt İnşaat was established in 2009 for the purpose of building and operating energy power plants and providing operational and maintenance services to power plants. Atayurt İnşaat has opened a branch in Tripoli, Libya in 2014.

CE Solaire 1 SAS (“CE Solaire 1”)

CE Solaire 1 was established in the Democratic Republic of Congo in 2020 for electrical power plant construction and operation, electricity generation, electricity sales and marketing.

CE Solaire 2 SAS (“CE Solaire 1”)

CE Solaire 2 was established in the Democratic Republic of Congo in 2020 for electrical power plant construction and operation, electricity generation, electricity sales and marketing.

CE SOLAR Dooel Skopje (“CE SOLAR”)

CE Solar Dooel Skopje was established in Albania in 2022 for the construction and operation of electric power plant, electricity generation, sales and marketing.

DTM Enerji Yatırımları Adi Ortaklığı (*)

Çalık-Biskon Adi Ortaklığı was established 23 January 2020 for the purpose of providing goods and supplies. Çalık-Biskon belongs to Çalık Enerji ve Biskon Yapı A.Ş. companies. The title of Çalık Biskon was changed to DTM Enerji Yatırımları Adi Ortaklığı

Çalık Elektrik Dağıtım A.Ş. (“ÇEDAŞ”)

ÇEDAŞ was established in 2010 according to legislations of Energy Market Regulatory Authority (“EMRA”) to distribute and sale of electricity and to invest in companies operating in these businesses.

Çalık Enerji Sanayi ve Ticaret Anonim Şirketi (“Çalık Enerji”)

Çalık Enerji was established in 1998 to conduct the Group’s activities in the energy sector and to engage in the operation, exploration and production of natural gas and petroleum resources, shipment and selling of these resources to the international areas. Çalık Enerji has five branches namely Çalık Enerji Turkmenistan, Çalık Enerji Georgia, Çalık Enerji Libya, Çalık Enerji Uzbekistan and Çalık Enerji Iraq.

Calik Enerji Swiss AG (“Çalık Swiss”)

Calik Swiss was established on in 2017 in Switzerland for the purpose of the acquisition management and use of concessions of other rights as well as construction and maintenance of power plants and to provide services in the development of other group companies operating in the energy sector, especially in the electricity sector and in funding sources.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

Çalık Albania Wind Sh.P.K./Llc (“Çalık Albania”)

Çalık Albania Wind Sh.P.K./Llc was established in Albania in 2022 for power plant construction and operation, electricity generation, electricity sales and marketing, engineering activities.

Çalık Georgia LLC (“Çalık Georgia”)

Çalık Georgia was established in 2015 in Tbilisi for the purpose of engineering, procurement, constructing (“EPC”) of the hydroelectric power plant and trading the electricity produced in Georgia. As of reporting date, Çalık Georgia is non-operating.

Çalık Limak Adi Ortaklığı

Çalık Limak Adi Ortaklığı was established in 2013 as a joint venture of ÇEDAŞ and Limak Yatırım Enerji Üretim İşletme Hizmetleri ve İnşaat Anonim Şirketi (“Limak Yatırım”), in Istanbul for the purpose of supplying all kind of technical equipments to Kosovo Electricity Distribution and Supply Company ISC fully owned by Kosovo Çalık Limak Energy which is also a joint venture of Çalık Enerji and Limak Yatırım.

Çalık Rüzgar Enerjisi Elektrik Üretim Limited Şirketi (“Çalık Rüzgar”)

Çalık Rüzgar was established in 1994 for the purpose of building and operating of electricity power plants, production, selling and marketing of electricity.

ÇL Enerji Üretim ve İnşaat A.Ş. (“ÇL Enerji”)

ÇL Enerji was established by Çalık Enerji and Limak İnşaat on 03.10.2019 for the purpose of engaging in energy and contracting activities. As of the reporting date, the Company is non-operating.

Demircili Rüzgar

Demircili Rüzgar was established in 2017 in Istanbul, for the purpose of establishing electric production facility, operating, renting it and producing electric energy and or selling it to customers.

Eurokos Dd. L.L.C. (“Eurokos”)

Eurokos Dd L.L.C. was established in the Republic of Kosovo in 2018 for power plant construction and operation, electricity generation, electricity sales and marketing. Çalık Enerji became a partner of Eurokos Dd L.L.C. in 2021.

PKN Energy Services Ordinary Partnership

PKN Energy Services Ordinary Partnership was established on January 23, 2020 for the purpose of supplying goods and materials. PKN Energy Services, Çalık Enerji ve Denge Reklam San. and Tic. Ltd companies. The company is inactive as of the reporting date. The title of Denge-Çalık NTF Ordinary Partnership was changed to Pkn Enerji Hizmetleri Ordinary Partnership.

Jasper Trading (“Jasper Trading”)

Jasper Trading was established in Poland in 2021. The company is not operating as of the reporting date.

JSC Calik Georgia Wind (“JSC Georgia”)

JSC Georgia was established in Tbilisi in 2015 with the aim of developing energy infrastructure in Georgia, developing solar and wind farm projects and sponsoring their financing, construction and long-term operation.

Kızılırmak Energy Electricity Corporation (“Kızılırmak”)

Kızılırmak was established in Istanbul in 2005 to import, export, distribute and operate all kinds of natural gas, crude oil and derivative products.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

Doğu Aras Enerji Yatırımları Anonim Şirketi (“Doğu Aras”)

Doğu Aras was founded in accordance with the energy market regulations as a joint venture with a joint agreement between ÇED and Kiler Alışveriş Hizmetleri Gıda Sanayi Ticaret Anonim Şirketi (“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.

On 28 June 2013, Doğu Aras purchased all shares of Aras Elektrik Dağıtım Anonim Şirketi (“EDAŞ”) and Aras Elektrik Perakende Satış Anonim Şirketi (“EPAŞ”), which were previously state-owned companies operating in electricity distribution and procurement in cities Kars, Ardahan, Iğdır, Erzurum, Ağrı, Bayburt and Erzurum, within the privatisation.

Kosova Çalık Limak Energy Sh.A. (“KÇLE”)

KÇLE was established as a joint venture with a joint agreement between Çalık Enerji, ÇEDAŞ and Limak Yatırım on 17 September 2012 with the participation these three companies by 25 percent, 25 percent and 50 percent, respectively, in the share capital of KÇLE.

In 2015, shares of KÇLE representing 25 percent of all shares, held by ÇEDAŞ have been transferred to Çalık Enerji. On May 8, 2013, KÇLE purchased all shares of state-owned enterprise namely Kompania Per Distribuum Dhe Fumizim Me Energji Elektrike SH.A (“KEDS”) which is operating in electricity distribution and procurement of electricity in Kosovo.

LC Electricity Supply and Trading d.o.o (“LC Electricity”)

LC Electricity was founded in Serbia in 2014 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.

Machinego Teknoloji Danışmanlık ve İş Makinaları Anonim Şirketi (“Machinego”)

Creating and developing a publication, database, providing service to customers, receiving advertisements and advertisements by carrying out the activities of leasing and selling, buying, intermediating in the purchase and sale of all kinds of agricultural and construction machinery, tractors, harvesters and equipment through the web portal, It was established to provide services, to conduct electronic commercial activities such as establishing partnerships with domestic and foreign companies and to exchange databases, and to perform all services and transactions.

Momentum Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi (“Momentum Enerji”)

Momentum Enerji was established in 2008 for the purpose of building and operating of electricity power plant, producing, selling and marketing of electricity.

Onyx Trading Innovation FZE (“Onyx”)

Onyx Trading was established in Dubai in 2016.

Saudi Jalik Energy Company (“Saudi Jalik”)

Saudi Jalik Energy Company was established in 2019 to operate building and construction projects. As of the reporting date, the Company is non-operating.

Taşkent Merkez Park

Taşkent Merkez Park was established in 2018 and its main activity is the construction of residential buildings.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

TCB İnşaat Yatırım Anonim Şirketi (“TCB İnşaat”)

TCB İnşaat Yatırım Anonim Şirketi was established in 2014 and its main activity is to do construction, contracting and decoration works in domestic and abroad.

Technological Energy N.V. (“Technological Energy”)

Technological Energy was established in The Netherlands in 2016.

Çalık Proje Mühendislik A.Ş. (“Calik Engineering”)

Technovision was established in Ankara in 1994 to provide mechanical and civil engineering services and consultancy services. In 2015, 99.97 percent of the company's shares were purchased by Çalık Enerji to provide engineering and consultancy services to Group companies.

Technovision Engineering, Consulting and Foreign Trade Inc. company name was changed to Çalık Proje Mühendislik A.Ş.

Türkmen’in Altın Asrı Elektrik Enerjisi Toptan Satış Anonim Şirketi (“Türkmen Elektrik”)

Türkmen Elektrik was established in 2000, in Istanbul for the purpose of distributing and selling electricity.

UZTUR Investment and Development (“Uztur”)

Uztur was established in Uzbekistan on 11 October 2019 for the purpose of carrying out real estate activities.

Workindo Teknoloji ve İnsan Kaynakları Danışmanlık A.Ş. (“Workindo Teknoloji”)

Workindo was established in 2019 in turkey for the purpose of the showing business activity in human resources, domestically and internationally to give workers supply employment services and carry out these services. As of the reporting date, the company is non-operating.

Yeşilçay Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi (“Yeşilçay Enerji”)

Yeşilçay Enerji was established in 2008 for the purpose of building and operating of electricity power plant, producing, selling and marketing of electricity. Yeşilçay Enerji also engages in exploration and production of mineral ore.

CYK Enerji Adi Ortaklığı

It was established in Samsun on 29 April 2021 to complete the supply of goods and services related to electrical work.

Çalık Enerji Japan G.K.

Çalık Enerji Japan G.K was established on February 25, 2021 in Japan. The Company is inactive as of the reporting date.

YEPAŞ

In accordance with the 3rd clause of 4628 numbered Energy Markets Code, electricity distribution companies must separate its distribution and retail operations from each other until 1 January 2013. In this regard, YEDAŞ which was engaged in distribution and retail sale of electricity in Samsun, Ordu, Çorum, Amasya and Sinop regions, unbundled its distribution and retail operations on 31 December 2012. YEPAŞ was founded for retail sales of electricity and electricity related products by partial demerger of YEDAŞ as of 1 January 2013.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

(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	Turkey
Gap Construction Co.	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 Ukraine Ltd. (“Gap İnşaat Ukrayna”)	Subsidiary	Ukraine
Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi (“Gap İnşaat”)	Subsidiary	Turkey
Gap İnşaat Dubai FZE	Subsidiary	UAE
Innovative Construction Technologies Trading FZE (“Innovative Construction”)	Subsidiary	UAE
Kentsel Dönüşüm İnşaat Anonim Şirketi	Subsidiary	Turkey
White Construction N.V.	Subsidiary	Netherlands
OOO Gap İnşaat (Gap İnşaat Rusya)	Subsidiary	Russia
Deutsche Tiefbau Gesellschaft für Infrastrukturentwicklung mbH (“Deutsche Tiefbau”)	Subsidiary	Germany

Gap İnşaat

Gap İnşaat was established in 1996 in Istanbul, Turkey in order to provide construction, contracting and decoration businesses both within Turkey and abroad. Gap İnşaat also operates in mining of all kinds of minerals, marble, lime, clay, coal and stone quarries and trading of stone cutter, spare parts and glazed ceramic tiles both within the country and abroad provided that the necessary permits are granted. Gap İnşaat has two branches in Turkmenistan and Qatar which are established to conduct several construction projects.

Gap İnşaat Sudan, Gap İnşaat Libya, Urban Transformation, Çalık İnşaat, Gap İnşaat Qatar, Gap İnşaat Dubai, Gap İnşaat Ukraine, White Construction, Gap İnşaat Russia, Innovative Construction, OOO Gap İnşaat, Deutsche Tiefbau.

Subsidiaries of Gap İnşaat; Gap İnşaat Sudan, Gap İnşaat Libya, Urban Transformation, Çalık İnşaat, Gap İnşaat Qatar, Gap İnşaat Dubai, Gap İnşaat Ukraine, White Construction, Gap İnşaat Russia, Innovative Construction, OOO Gap İnşaat and Deutsche Tiefbau were established to carry out construction projects in the countries where they are located.

1.3 Entities in textile segment

Company Names	Types of Partnership	Country
Balkan Dokuma TGPJ	Associate	Turkmenistan
Calik Denim B.V.	Subsidiary	Netherlands
Çalık Denim Tekstil Sanayi ve Ticaret Anonim Şirketi (“Çalık Denim”)	Subsidiary	Turkey
Gap Türkmen-Türkmenbaşı Jeans Kompleksi	Associate	Turkmenistan
Malatya Boya ve Emprime Anonim Şirketi (“Malatya Boya”)	Subsidiary	Turkey
Serdar Pamuk Egrigi Fabriği ÇJB	Associate	Turkmenistan
Türkmenbaşı Tekstil Kompleksi	Associate	Turkmenistan

Balkan Dokuma

Balkan Dokuma was established in 2000 in Turkmenistan for the purpose of manufacturing and marketing yarn.

Calik Denim B.V.

Calik Denim was established in 2017 in the Netherlands for the purpose of trading and marketing textile products and provide services in the development of other group companies operating in the textile sector.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.3 Entities in textile segment (continued)

Çalık Denim

Çalık Denim, formerly known as Gap Güneydoğu Tekstil Sanayi ve Ticaret Anonim Şirketi, was established in 1987, in Turkey and conducts its production operation in Malatya Industrial Area. Çalık Denim has a branch, namely Gap Güneydoğu Mersin Free Zone that is engaged in the importing and exporting of textile products.

TJK

TJK was established as a joint venture of Çalık Denim and the Ministry of Textiles Industry of Turkmenistan in 1995 within the frame of Turkmenistan regulations for the purpose of yarn and denim fabric production and marketing. TJK has a denim fabric and jean factory and makes domestic and foreign sales to USA and European countries.

Malatya Boya

Malatya Boya Emprime Factory was established in 1997 in Malatya, Turkey. The Company maintains fabric dyeing process since 2007. The company is acquired by Çalık Denim on 31 August 2017 which is a subsidiary of Çalık Group.

Serdar Pamuk and TTK

Serdar Pamuk and TTK were established in Turkmenistan for the purpose of producing denim fabric in textile industry.

1.4 Entities in marketing segment

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

Gap Pazarlama

Gap Pazarlama was established in 1994 in order to supply goods used in the production and the domestic or foreign projects carried out mainly by the Group and other non-group companies. Gap Pazarlama has a branch in Mersin Free Zone, which is engaged in the importation and exportation of textile products.

Gap Pazarlama FZE

Gap Pazarlama FZE was established in 2004 in United Arab Emirates (“UAE”) for the purpose of importing and exporting of trading goods.

Gappa

Gappa Textile Inc. was established to operate in the international markets for selling of the home textiles and ready-to-wear garments. As of the reporting date, the Company is non-operating.

Tura Moda

On 2 January 2018, all shares of Tura Moda (named “Tura Madencilik Anonim Şirketi” before) belonging Çalık Holding were transferred to Gap Pazarlama at nominal values. The name of the company has been changed to “Tura Moda” on 4 May 2018.

Calik Alexandria

Çalık Alexandria was established in Egypt in 2006 and operates in the production and marketing of yarn, weaving and ready-made clothing. The Group has purchased 51.5% of Çalık Alexandria shares, which is under common control, in 2022. The Group fully consolidated Çalık Alexandria in 2022.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.5 Entities in banking and finance segment

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

(*) The company was established in 2022.

(**) As of the reporting date, the Company is non-operating.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.6 Entities in banking and finance segment (continued)

Aktifbank

Aktifbank was founded as an investment and development bank in 1999 for the purpose of providing all kind of transactions related with investment, project finance and marketable securities and also to provide all kinds of investment banking services. However, Aktifbank is not authorised to accept deposits.

Name of Aktifbank was changed to “Aktif Yatırım Bankası Anonim Şirketi” from “Çalık Yatırım Bankası Anonim Şirketi” on 1 August 2008.

Aktif Yatırım Bankası Sukuk Varlık Kiralama Anonim Şirketi (“Aktif VKŞ”)

Aktif VKŞ was established in 2013 in Istanbul for the purpose of issuing rent certificate in accordance with the relevant regulations promulgated by Capital Market Board of Turkey.

Aktif Fortis Enerji Anonim Şirketi (“Aktif Fortis”)

Aktif Fortis was established in Istanbul in 2021 to provide electrical energy production services from biomass or gas obtained from biomass.

Aktiftech Teknoloji Anonim Şirketi (“Aktiftech”)

It was established in December 2021 in Istanbul as a FinTech startup founder. It creates personalized solutions by designing new financial technology products and introducing them to users and evaluating financial technology needs and opportunities in local markets.

Akuamarin Solar Enerji Üretim Anonim Şirketi (“Akuamarin”)

Akuamarin was established in Istanbul in 2018 to provide solar power generation service. The power plant operates in Doğalar Village in Kütahya.

Albania Leasing

Main activity of Albania Leasing is financial leasing. As of the reporting date, Albania Leasing is non-operating.

Ametist Solar Enerji Üretim Anonim Şirketi (“Ametist Solar”)

Ametist Solar was established in 2018 in Istanbul in order to provide solar energy production services. The power plant operates in Çifteler Village in Eskişehir.

Attivo Bilişim Anonim Şirketi (“Attivo”)

Attivo, was established in in 2018 in Istanbul for the purpose of trading crypto-currencies.

Aytaşı Solar Enerji Üretim Anonim Şirketi (“Aytaşı”)

Aytaşı, was established in 2018 in Istanbul in order to provide solar energy production services. The power plant operates in Doğalar Village in Kütahya.

BKT

BKT was founded in 1998 by obtaining banking license and engages in banking activities in Albania.

BKT Kosovo

BKT Kosovo was opened in 2007 as a branch of BKT in Pristina. As of January 1, 2019, it has been transformed into a separate subsidiary.

Cydev Investment Ltd. (“CYDEV Investment”)

Cydev Investment was established in TRNC in 2016 and invests in the construction sector.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.6 Entities in banking and finance segment (continued)

Çiğdem Solar Enerji Üretim Anonim Şirketi (“Çiğdem”)

Çiğdem, was established in 2017 in Istanbul in order to provide solar energy production services. The power plant operates in Karaalan Village in Eskişehir.

Defne Solar Enerji Üretim Anonim Şirketi (“Defne”)

Defne was established in 2017 in Istanbul for the purpose of providing solar energy services. The power plant operates in Doğalar Village in Kütahya.

Deniz Güneş Enerjisi Üretimi Anonim Şirketi (“Deniz Güneş Enerjisi”)

Deniz Güneş Enerjisi, was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

Dome Zero Inc (“Dome Zero”)

Dome Zero was established in the United States on December 7, 2016 and operates in industrial production.

Duru Güneş Enerjisi Üretimi Anonim Şirketi (“Duru”)

Duru was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

E-Kent Geçiş Sistemleri ve Biletleme Teknolojileri Anonim Şirketi (“E-Kent”)

E-Kent was established in 2002 and its main activity is modernisation of public transportation and suggesting new electronic solutions about electronic ticket and prosecution system. E-Kent merged with Asset Aktif Sportif ve Sanatsal Etkinlik Hizmetleri Ticaret Anonim Şirketi under E-Kent on 29 December 2017.

Eko Biokütle Enerji Üretim Anonim Şirketi (“Eko Biokütle”)

Eko Biokütle, was established to operate in the field of bio energy in Istanbul in 2018. Feasibility and permit works are in progress for the establishment of the plant.

Emlak Girişim Danışmanlığı Anonim Şirketi (“Emlak Girişim”)

Emlak Girişim engages in real estate projects, structures and systems, and in this regard makes active counseling and guidance.

Emyap Development Limited (“Emyap Development”)

Emyap Development was established and operates in the construction sector in the TRNC in 2018.

E-Post Elektronik Perakende Otomasyon Satış ve Ticaret Anonim Şirketi (“E-Post”)

E-Post was established in order to provide personalized postcard design services via internet in Istanbul in 2009.

Esen Güneş Enerjisi Üretim Anonim Şirketi (“Esen”)

Esen was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

Euroasian Leasing Company (“ELC”)

Euroasian Leasing Company was established in Tatarstan-Russia to provide leasing solutions to the SME sector in accordance with the Islamic principles.

Euro-Mediterranean

Euro-Mediterranean was established in 2015 for the purpose of portfolio management in Northern Cyprus Turkish Republic.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.6 Entities in banking and finance segment (continued)

Gelincik Solar Enerji Üretim Anonim Şirketi (“Gelincik”)

Gelincik was established in order to provide solar power production service in Istanbul in 2017. The power plant operates in Karaalan Village in Eskişehir.

Güneştaşı Solar Enerji Üretim Anonim Şirketi (“Güneştaşı”)

Güneştaşı was established in order to provide solar power production service in Istanbul in 2018. The power plant operates in Doğalar Village in Kütahya.

Haliç Leasing Anonim Şirketi in Liquidation (“Haliç”)

Haliç Leasing was established in Turkey in 2004 to operate in the field of financial leasing. On October 11, 2016, the Group purchased shares representing 32 percent of the company's capital.

Halk Yenilenebilir Enerji Anonim Şirketi (“Halk Yenilenebilir”)

The Company was established in 2017, in Ankara for the purpose of establishing and providing maintenance-repair services to power generation plants.

HMC Digital

HMC Digital is a joint venture signed between Kırmızı Elmas Enerji Ve Alt Yapı Yat. A.Ş. (Mitsubishi Corp.), Emlak Girişim and Hitachi Europe Ltd.. It was established in Istanbul on August 13, 2020 and operates in the field of biometric recognition and identity verification technologies, crypto signing and cyber security solutions.

Idea Farm Ventures Limited (“Idea Farm”)

Idea Farm was founded in 2016 in the UAE and operates in investment activities.

İnovaban İnovasyon ve Finansal Danışmanlık Anonim Şirketi (“İnovaban İnovasyon”)

İnovaban İnovasyon, was established in 2018 in Istanbul for the purpose of providing financial consulting and developing projects in R&D fields.

İpek Güneş Enerjisi Üretim Anonim Şirketi (“İpek”)

İpek, was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

Kaplan Gözü Solar Enerji Üretim Anonim Şirketi (“Kaplan Gözü”)

Kaplangözü was established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Doğalar Village in Kütahya.

Kasımpatı Solar Enerji Üretim Anonim Şirketi (“Kasımpatı”)

Kasımpatı was established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Akkaynak Village in Ankara.

Kazakhstan İjara

Kazakhstan İjara Company KIC Leasing was established in 2013, in Kazakhstan for the purpose of operating in financial leasing sector.

Kıbrıs Besicilik ve Çiftçilik Teşebbüsleri Limited (“Kıbrıs Besicilik”)

Kıbrıs Besicilik was established and operates in livestock and agriculture in TRNC in 2018.

Kuvars Solar Enerji Üretim Anonim Şirketi (“Kuvars”)

Kuvars was established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Değişören in Eskişehir.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.6 Entities in banking and finance segment (continued)

Lapis Solar Enerji Üretim Anonim Şirketi (“Lapis”)

Lapis was established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Çifteler in Eskişehir.

Leylak Solar Enerji Üretim Anonim Şirketi (“Leylak”)

Leylak, established in 2017 in Istanbul for the purpose of providing solar energy services. The power plant operates in Karaalan in Eskişehir.

Lilyum Solar Enerji Üretim Anonim Şirketi (“Lilyum”)

Lilyum, established in 2017 in Istanbul for the purpose of providing solar energy services. The power plant operates in Karaalan in Eskişehir.

Martı Solar Enerji Üretim Anonim Şirketi (“Martı”)

Martı, was established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Akkaynak Village in Ankara.

Mehtap Güneş Enerjisi Üretim Anonim Şirketi (“Mehtap”)

Mehtap, was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

Mercan Solar Enerji Üretim Anonim Şirketi (“Mercan”)

Mercan, was established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Akkaynak Village in Ankara.

Mükafat Portföy

Mükafat Portföy is established to operate in the field of portfolio management in 2016.

Nilüfer Solar Enerji Üretim Anonim Şirketi (“Nilüfer”)

Nilüfer, was established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Akkaynak Village in Ankara.

N-Kolay Ödeme Sistemleri Anonim Şirketi (“N-Kolay”)

N-Kolay was established in 2014 in Istanbul for the purpose of providing bill payment point service to its customers.

Oniks Solar Enerji Üretim Anonim Şirketi (“Oniks”)

Oniks, established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Çifteler in Eskişehir.

Opal Solar Enerji Üretim Anonim Şirketi (“Opal”)

Opal, established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Çifteler in Eskişehir.

Passo Spor Oyunları Kulübü Yazılım ve Pazarlama A.Ş. (“Passo Spor”)

Passo Spor was established in 2019 within the body of E-Kent Geçiş Sistemleri ve Biletleme Teknolojileri Anonim Şirketi in order to engage in software development and marketing activities.

Pavo Teknik Servis Elektrik ve Elektronik Sanayi ve Ticaret Anonim Şirketi (“Pavo”)

Pavo operates in the area of new generation payment recorders import, manufacture, sales and technical services.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.6 Entities in banking and finance segment (continued)

Secom Aktif Elektronik Güvenlik Çözümleri A.Ş. (“Secom Aktif Güvenlik”)

Secom Aktif Güvenlik, whose previous title was Kent Güvenlik Sistemleri Elektronik İnşaat Sanayi ve Ticaret A.Ş. has been purchased by Secom Aktif Güvenlik Yatırım A.Ş. on March 31, 2019.

Secom Aktif Güvenlik Yatırım Anonim Şirketi (“Secom Aktif Yatırım”)

Secom Aktif Yatırım was established on February 28, 2019 in order to engage in electronic security solutions.

Seher Güneş Enerjisi Üretim Anonim Şirketi (“Seher”)

Seher, was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

Sigortayeri

Sigortayeri provides insurance products through the virtual and physical multi-channel structure that are shaped according to the needs of potential policyholders in order to operate insurance brokerage.

Silent Valley Partnership (“Silent Valley”)

Silent Valley was established and operates in the construction sector in the TRNC in 2016.

Tanyeri Güneş Enerjisi Üretim Anonim Şirketi (“Tanyeri”)

Tanyeri, was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

Turkuvaz Solar Enerji Üretim Anonim Şirketi (“Turkuvaz”)

Turkuvaz, was established in 2018 in Istanbul for the purpose of providing solar energy services. The power plant operates in Doğalar in Kütahya.

Ufuk Güneş Enerjisi Üretim Anonim Şirketi (“Ufuk”)

Ufuk, was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

UPT Ödeme Hizmetleri Anonim Şirketi (“UPT”)

UPT was established for the purpose of electronic money transfer and payment services.

Yakamoz Güneş Enerjisi Üretim Anonim Şirketi (“Yakamoz”)

Yakamoz, was established in 2018 in Ankara for the purpose of providing solar energy services. The power plant operates in Çalkışla Village in Erzincan.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.7 Entities in other segments

Company name	Type of partnership	Country
Amethyst Holding N.V.	Subsidiary	The Netherlands
Artmin Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Bakırtepe Madencilik ve Sanayi ve Ticaret Anonim Şirketi	Joint ventures	Turkey
Başak Yönetim Sistemleri Anonim Şirketi	Subsidiary	Turkey
Çalık Dijital ve Bilişim Hizmetleri Anonim Şirketi	Subsidiary	Turkey
Çalık Hava Taşımacılık Turizm Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Çalık Pamuk Doğal ve Sentetik Elyaf Ticaret Anonim Şirketi	Subsidiary	Turkey
Çalık Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi	Subsidiary	Turkey
Irmak Yönetim Sistemleri Anonim Şirketi	Subsidiary	Turkey
İkideniz Petrol ve Gaz Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Kartaltepe Madencilik Sanayi ve Ticaret Anonim Şirketi	Joint ventures	Turkey
Lidya Aurasia	Subsidiary	Uzbekistan
Lidya Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Lor Dafrique Sarlu	Subsidiary	Gine
Nouvelle Frontiere SARL	Subsidiary	D.Congo
Polimetal Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Polimetal Mineral Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Tunçpınar Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Turkey
Çalık Petrol Arama Üretim Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Cetel Telekom İletişim Sanayi ve Ticaret Anonim Şirketi (“Cetel Telekom”)	Subsidiary	Turkey

Amethyst Holding N.V. (“Amethyst”)

Amethyst was established in 2017 in the Netherlands for purpose of carrying out holding activities.

Artmin Madencilik Sanayi ve Ticaret Anonim Şirketi (“Artmin Madencilik”)

Artmin Madencilik (formerly AMG Mineral Madencilik A.Ş.) AMG Mineral Inc. 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 mining sites, to operate mine sites and to participate in mining tenders. In 2015, Artmin Madencilik started to be controlled by the Group and its ownership rate is 70%. Since Lidya Madencilik purchased assets that did not involve an operational transaction, this purchase was not considered within the scope of TFRS 3. All identifiable purchase costs are reported within the mining operation license of Artmin Madencilik, since the relevant transaction is recorded taking into account the asset purchase accounting

Bakırtepe Madencilik Sanayi ve Ticaret Anonim Şirketi (“Bakırtepe”)

Bakırtepe Madencilik San. ve Tic. A.S. It was established in 2021. Headquartered in Ankara, the company operates in the Gümüşhane region. As of the reporting date, the ownership rates in Bakırtepe, a joint venture of Lidya Maden and Alacer, are 50% and 50%, respectively (31 December 2021: Lidya Maden: 50% Alacer: 50%).

Başak Yönetim Sistemleri Anonim Şirketi (“Başak Yönetim”)

Başak Yönetim was established in 2008 for the purpose of building and operating of electricity production facility and producing, selling and marketing of electricity with the name “Başak Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi”. The former name of Company was changed on 11 April 2013 as “Başak Yönetim Sistemleri Anonim Şirketi”.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.7 Entities in other segments (continued)

Çalık Dijital ve Bilişim Hizmetleri Anonim Şirketi (“Çalık Dijital”)

Çalık Dijital (formerly known as Dore Altın ve Madencilik Anonim Şirketi) was established in 2010 in Istanbul for the purpose of mining, operating, purchasing and renting underground and surface mine and natural resources in accordance with existing regulations, to purchase prospecting license, to demand operating right and to take over mining rights. The former name of Company was changed on 8 December 2017 as Çalık Dijital ve Bilişim Hizmetleri Anonim Şirketi (“Çalık Dijital”).

Çalık Hava Taşımacılık Turizm Sanayi ve Ticaret Anonim Şirketi (“Çalık Hava”)

Çalık Hava was established in 2010 in Istanbul for the purpose of providing every kind of air transportation activities, scheduled or unscheduled domestic and abroad air transportation, arranging passenger and freight traffic transportation.

Çalık Tarım Ürünleri ve Licensed Warehousing Joint Stock Company (“Çalık Tarım”)

Çalık Tarım was established in 2017 in order to carry out licensed warehousing activities for the storage of agricultural products under the license under healthy conditions and for commercial storage.

Çalık Pamuk Doğal ve Sentetik Elyaf Ticaret Anonim Şirketi (“Çalık Pamuk”)

Çalık Pamuk, which started its activities in 2011 as part of Çalık Holding, offers comprehensive consultancy services on all cotton-related issues, as well as cotton trade. The company supplies cotton of different origins from home and abroad such as Africa and the Southeastern region of Turkey, primarily the United States of America, and provides services to textile operators using cotton in both the domestic and foreign markets.

İrmak Yönetim Sistemleri Anonim Şirketi (“İrmak Yönetim”)

İrmak Yönetim, formerly known as “İrmak Enerji Elektrik Üretim Madencilik Sanayi ve Ticaret Anonim Şirketi”, was established in 2008 for the purpose of building and operating electricity production facility and producing, selling and marketing of electricity. The name was changed on 11 April 2013 as “İrmak Yönetim Sistemleri Anonim Şirketi”.

İkideniz Petrol ve Gaz Sanayi ve Ticaret Anonim Şirketi (“İkideniz Petrol”)

İkideniz Petrol was established in 2008 for the purpose of importing, exporting, distributing, operating and production all kinds of crude oil.

Kartaltepe Madencilik Sanayi ve Ticaret Anonim Şirketi (“Kartaltepe”)

Kartaltepe Mining was established in 2011. Headquartered in Ankara, the company carries out mining activities in Erzincan. As of the reporting date, 50% of the capital of Kartaltepe Madencilik is owned by Lidya Maden and the remaining 50% by Alacer Gold Madencilik A.Ş. (“Alacer”). (2020: Lidya Maden: 50% Alacer: 50%).

Lidya Aurasia

Lidya Aurasia was registered in 2019 with the aim of directly or indirectly conducting geological research studies, operating various mines and producing concentrates. The headquarters of the company is in Uzbekistan.

Lidya Madencilik Sanayi ve Ticaret Anonim Şirketi (“Lidya Maden”)

Lidya Maden was established in 2006 in Istanbul to explore all kind of metal and mineral products and to participate in mining companies.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

1 Reporting entity (continued)

1.7 Entities in other segments (continued)

Lor Dafrique Sarlu (“Lor Dafrique”)

Lor Dafrique Sarlu was registered in 2021 with the aim of directly or indirectly conducting geological research studies, operating various mines and producing concentrates. The company is headquartered in Guinea.

Nouvelle Frontier SARL (“Nouvelle Frontiere”)

Nouvelle Frontiere was registered in 2019 with the purpose of conducting geological research studies directly or indirectly, operating various mines and producing concentrates. The head office of the company is in Democratic Republic of Congo.

Polimetal Madencilik Sanayi ve Ticaret Anonim Şirketi (“Polimetal”)

Polimetal Madencilik Sanayi ve Ticaret A.Ş. was established in 2011 as a subsidiary of Alacer, Polimetal is registered in Ankara and is engaged in the development and operation of mining assets. Lidya Madencilik has acquired the remaining 50% shares of Polimetal Madencilik Sanayi ve Ticaret Anonim Şirketi from Alacer Gold Madencilik A.Ş. in 2020.

Polimetal Mineral Madencilik Sanayi ve Ticaret Anonim Şirketi (“Polimetal Mineral”)

Polimetal Mineral was established on 15 November 2016 to explore, develop and operate all kinds of mines.

Tunçpınar Madencilik Sanayi ve Ticaret Anonim Şirketi (“Tunçpınar”)

Tunçpınar was established in 2011 as a wholly owned subsidiary of Alacer. Tunçpınar is registered in Ankara, Turkey and is engaged in the operation of mining in Tunceli region. As of December 21, 2021, it has been decided that Tunçpınar Madencilik Sanayi ve Ticaret A.Ş., of which SSR Group has a 50-50 shareholding, will be transformed into a new partnership structure with 70% Lidya and 30% SSR, and Lidya to be the operator in 2022. On the other hand, it has been decided that the Kazıkbeli license, which is under the responsibility of Polimetal, will be transferred to Bakırtepe Madencilik Sanayi ve Ticaret A.Ş. with 70% SSR and 30% Lidya, and SSR will become the operator.

Çalık Petrol Search Production Industry and Trade Inc. (“Çalık Petrol”)

Çalık Petrol was founded in 2012 and the company was sold to family members in 2019. The company was purchased from family members on 31 December 2021. The company is registered in Ankara and is engaged in natural gas and oil, exploration, production, distribution, sale, transmission and trade. As of the reporting period, Çalık Petrol is 80% subsidiary of Çalık Holding A.Ş.

Cetel Telecom

Cetel Telekom was established in Istanbul in 2007 to carry out telecommunication, multimedia, internet and information transport activities.

Çalık Holding Anonim Şirketi and its Subsidiaries

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

2 Basis of preparation

a) *Statement of compliance*

Çalık Holding entities operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira (“TL”) in accordance with the Accounting Practice Regulations as promulgated by the Banking Regulatory and Supervision Agency (“BRSA”) (applicable to the financial institutions), Turkish Uniform Chart of Accounts, Turkish Commercial Code and Tax Legislation.

The condensed interim consolidated financial statements for the six months period ended 30 June 2021 have been prepared in accordance with TAS 34 “Interim Financial Reporting”. Additionally, the accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended 30 June 2022 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2021. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021. Çalık Group’s foreign entities maintain their books of account and prepare their statutory financial statements in accordance with the related legislation and generally accepted accounting principles applicable in the countries they operate. The consolidated financial statements have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”).

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 for at least 12 months from the date of approval of these financial statements.

b) *Basis of Measurements*

The consolidated financial statements have been prepared on the historical cost basis and for the Turkish entities as adjusted for the effects of inflation that lasted by 31 December 2004, except for the following:

- derivative financial instruments are measured at fair value,
- non-derivative financial assets at fair value OCI are measured at fair value
- assets and liabilities held for sale are measured at the lower of their carrying amount and fair value less costs to sell,
- non-derivative financial assets at fair value through profit or loss are measured at fair value,
- investment property is measured at fair value.

The methods used to measure the fair values are discussed further in Note 26.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

2 Basis of operation (continued)

c) Functional and presentation currency

Çalık Holding determined its functional currency is 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 Turkey and focused on foreign projects. In addition, the main operation of the Company concentrated abroad where potential dividend income also can be obtained. In accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates” The Group management decided to change functional currency from TL to USD and it will be appropriate to apply as at 1 July 2018. The Company 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 as of 1 July 2018. 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 current currency, have been translated into the reporting currency “TL” as described below;

As of 30 June 2022, balance sheet accounts have been issued by T.C. The Central Bank (TCMB) has been converted into TL with the US Dollar buying rate of 1 USD = 16,6614 TL (31 December 2021: 1 USD = 13,329 TL).

Profit or loss and other comprehensive income statements for the period ended 30 June 2022 have been converted to TL with an annual average of 1 USD = 14,8517 (30 June 2020: 1 USD = 7,8763 TL)

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.

d) 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.

e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

2 Basis of operation (continued)

e) Use of estimates and judgements (continued)

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 9 – Financial investments
- Note 11– Trade receivables and payables
- Note 18 – Investment property
- Note 20 – Derivatives
- Note 21 – Provisions
- Note 23 – Taxation
- Note 26 – Financial instruments – Fair values and risk management (including fair value explanations)

f) Comparative information and adjustment of prior period financial statements

Significant changes or material errors in accounting policies are adjusted retrospectively by rearranging the financial statements of the previous period. The effect of changes in accounting estimates affecting the current period has been recognized in the current period; The effects of changes in accounting estimates that affect current and future periods are recognized in the current and future periods.

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.

In the consolidated statement of financial position for the year ended 31 December 2021 and 2020, the following adjustments have been made in order to comply with the presentation of the current period;

	31 December 2021		
	Previously Reported	Restated	Adjustments
Inventories	249.758	251.569	1.811
Investments in equity-accounted investees	179.053	177.617	(1.436)
Property, plant and equipment	443.242	460.790	17.548
Intangible assets	114.991	146.712	31.721
Short term loans and borrowings	1.460.174	1.460.030	(144)
Short term portion of long term loans and borrowings	158.547	158.545	(2)
Long term loans and borrowings	451.132	450.999	(133)
Deferred tax liabilities	26.563	25.409	(1.154)
Other comprehensive income that is or will not be reclassified to profit or loss	(5.211)	(5.153)	58
Other comprehensive income that is or may be reclassified to profit or loss	(846.610)	(832.113)	14.497
Retained earnings	1.179.643	1.204.195	24.552
Net profit for the period	511.975	516.652	4.677
Non-controlling interests	156.056	163.348	7.292

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

2 Basis of preparation (continued)

f) Comparative information and adjustment of prior period financial statements (continued)

	31 December 2020		
	<i>Previously Reported</i>	<i>Restated</i>	<i>Adjustments</i>
Inventories	228.773	228.773	--
Financial investments	1.874.350	1.876.437	2.087
Investments in equity-accounted investees	222.015	222.030	15
Property, plant and equipment	562.406	564.813	2.407
Intangible assets	128.008	153.719	25.711
Short term loans and borrowings	1.663.719	1.699.259	35.540
Short term portion of long term loans and borrowings	177.312	175.795	(1.517)
Long term loans and borrowings	536.264	502.266	(33.998)
Deferred tax liabilities	52.753	39.527	(13.226)
Other comprehensive income that is or will not be reclassified to profit or loss	(2.604)	(2.545)	59
Other comprehensive income that is or may be reclassified to profit or loss	(337.031)	(323.327)	13.704
Retained earnings	842.023	928.775	86.752
Net profit for the period	359.209	297.014	(62.195)
Non-controlling interests	118.478	123.579	5.101

In the consolidated statement of profit or loss and other comprehensive income for the six month period ended 30 June 2021, the following adjustments have been made in order to comply with the presentation of the current period;

	30 June 2021		
	<i>Previously Reported</i>	<i>Restated</i>	<i>Adjustments</i>
General and administrative expenses	(120.217)	(120.164)	53
Research and development expenses	(4.824)	(4.414)	410
Share of profit of equity accounted investees	18.873	18.566	(307)
Other income from operating activities	45.687	43.829	(1.858)
Other expenses from operating activities	(47.171)	(49.664)	(2.493)
Gain from investing activities	45.441	75.399	29.958
Loss from investing activities	(33.357)	(63.317)	(29.960)
Finance income	81.718	87.127	5.409
Finance costs	(105.711)	(107.327)	(1.616)
Deferred tax income / (expense)	7.690	(3.446)	(11.136)
Total other comprehensive income	(163.778)	(158.150)	5.628
Total comprehensive income	37.086	31.174	(5.912)

In the consolidated statement of cash flows for the six month period ended 30 June 2021, the following adjustments have been made in order to comply with the presentation of the current period;

	30 June 2021		
	<i>Previously Reported</i>	<i>Restated</i>	<i>Adjustments</i>
A. Cash flows from operating activities	(17.390)	(19.311)	(1.921)
B. Cash flows from investing activities	(221.790)	(219.869)	1.921

Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

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

2 Basis of preparation (continued)

f) Comparative information and adjustment of prior period financial statements (continued)

As of December 31, 2021, the Group has reviewed the consolidated financial statements of the previous period and restated them. The major effects of restatement are as follows:

- a) Gold is a financial asset traded all over the world. Gold prices are determined in ounces. 1 ounce equals 31.1 grams. While the price of gold bar is determined in the London Metal Exchange with the fixing method, Gold Futures Contracts, which are preferred more by institutional investors, are traded mainly in New York COMEX. Among the most important economic developments and data affecting gold prices are the US Federal Reserve ("FED") statements, FOMC meeting minutes, relatively high-importance data from China, the US, and the Eurozone (growth rate, non-farm employment, unemployment rate, retail sales, housing price indices, factory orders, manufacturing sector data) and physical demand from countries such as India should be considered. In addition to these, factors such as economic growth in the world, oil prices, prices of other precious metals and commodities, gold production in gold mines, purchases, and sales of central banks for reserve purposes, in flation also affect the gold price.

In line with the explanations above, it is known that the Company's subsidiaries and joint ventures mainly operate in the "gold and silver mining" sector, all of their sales are consist of gold and silver sales, and the equivalent of sales and billing currency are US dollars. Polimetal Madencilik Sanayi ve Ticaret A.Ş. started its sales in November 2021 and continued its mining investment until this date. In the period when mining investments continue, most of the investments consist of expenditures of analysis, drilling, consultancy, etc. are US Dollar. Also, the borrowing currencies belonging to the "Payables to Shareholders", which funds these expenditures, are also US dollar. Foreign origin equipment used in the investment period was purchased in US dollar. While the payments for equipment and other construction works procured from Turkey are mostly made in Turkish lira, the prices of related investment materials are determined by the international prices of commodities such as iron and steel, oil prices and the US dollar exchange rate. In line with the explanations mentioned above, the functional currency of the subsidiaries of Group which are Artmin Madencilik Sanayi ve Ticaret A.Ş. and Polimetal Madencilik Sanayi ve Ticaret A.Ş., which was previously determined as Turkish lira, Group management has evaluated that the functional currency should be US dollar since its establishment and retrospective non-monetary items (capital, inventory, development costs and other fixed assets) with their investment historical costs and restated consolidated financial statements with US dollar as the functional currency.

- b) The Group has re-evaluated the deferred tax calculation of "Financial instruments at fair value through profit or loss" and recalculated the deferred tax liability, which was previously calculated on the whole, retrospectively, using 75% profit exemption.
- c) As of December 31, 2021 and 2020, the Group has reviewed the maturities of financial liabilities and the classifications of related party balances and reclassified.

g) The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at June 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and IFRIC interpretations effective as of 1 January 2022. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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Notes to the Interim Condensed Consolidated Interim Financial Statements As at and for the Six-Month Period Ended 30 June 2022

(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, 2022 are as follows:

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively.

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

Amendments to TAS 16 – Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

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

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

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

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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 at 1 January 2022 (continued)

Annual Improvements – 2018–2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.
- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

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

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

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

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

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

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

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

2 Basis of preparation (continued)

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

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

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. In accordance with amendments issued by POA in December 2021, entities have transition option for a “classification overlay” to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

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

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

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

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

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of ‘accounting estimates. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. 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. Earlier application is permitted.

Overall, the Group expects no significant impact on its balance sheet and equity.

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)

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

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. 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.

Overall, the Group expects no significant impact on its balance sheet and equity.

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

In August 2021, the 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 issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. 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.

Overall, the Group expects no significant impact on its balance sheet and equity.

Çalık Holding Anonim Şirketi and its Subsidiaries

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

3 Acquisitions and disposals of subsidiaries and non-controlling interests

3.1 Partial share purchase and sale transactions with non-controlling interests that did not cause any change in control in 2022

Oniki Teknoloji A.Ş.

On May 13, 2022, merged under the structure of E-post Elektronik Perakende Otomasyon Satış Ticaret A.Ş., based on the 30 June 2022 balance sheets, using the simplified merger method.

3.2 Share changes that cause a change in control in 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.

3.3 Partial share purchase and sale transactions with non-controlling interests that did not cause any change in control in 2021

Çalık Finansal Hizmetler

On September 17, 2021, merged under the structure of Çalık Holding A.Ş, based on the 30 June 2021 balance sheets, using the simplified merger method.

3.4 Share changes that cause a change in control in 2021

Akalcı Bilişim Hizmetleri ve Danışmanlık Anonim Şirketi

On September 9 2021, as a result of the general assembly resolution by Akalcı Bilişim Hizmetleri ve Danışmanlık Anonim Şirketi all of the shares corresponding to 85% of ÇEDAŞ company shares were transferred. As a result of this transaction, the company left the group.

Çalık Enerji Dubai FZE

Çalık Enerji Dubai FZE company was closed on 15 November 2021.

ÇL Enerji Üretim ve İnşaat A.Ş.

ÇL Enerji Üretim ve İnşaat Anonim Şirketi ("ÇL Enerji") left Limak İnşaat, which has 50% subsidiary, and passed to Çalık Enerji A.Ş with 100% ownership. (2020: Çalık Energy: 50% Limak Construction 50%)

Çalık Petrol

80% of the company's shares passed to Çalık Holding A.Ş., thus, Çalık Holding A.Ş.'s ownership rate of the company became 80%.

Doğu Aras Enerji Yatırımları Anonim Şirketi

20% of the company shares were sold as public offering, the ownership rate for the period 31 December 2021 was 40%. (2020: 50%)

Eurokos Dd. L.L.C

Eurokos Dd L.L.C was established in the Republic of Kosovo in 2018 for power plant construction and operation, electricity generation, electricity sales and marketing. Çalık Enerji became a partner of Eurokos Dd L.L.C. in 2021.

UPT Lithuania UAB

UPT Lithuania UAB company was liquidated on 22 June 2021.

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

4 Discontinued operation and disposal group held for sale

All assets and liabilities of the Group, excluding cash and cash equivalents of the Subsidiary, are classified as “Assets related to asset groups classified as held for sale” and “Liabilities related to asset groups classified as held for sale”, respectively, in the consolidated financial statements. In addition, real estates acquired as a result of legal follow-up of loans and advances in the banking sector are shown in the “Assets related to groups classified as held for sale” account.

As at 30 June 2022, assets and liabilities including those of discontinued operations are USD 39.797 and there are no liabilities related to groups held for sale. (31 December 2021: USD 59.949 and USD 739), respectively, and details are as follows:

Assets held for sale	30 June 2022	31 December 2021
Property, plant and equipment (*)	39.797	52.622
Inventories	--	6.301
Intangible assets	--	23
Other assets	--	1.003
Total	39.797	59.949

Liabilities held for sale	30 June 2022	31 December 2021
Trade payables	--	623
Other payables	--	116
Total	--	739

(*)Property, plant and equipment does not consist of properties classified as held for sale of the subsidiaries in textile sector (31 December 2021: USD 9.741), land and buildings with a carrying value of USD 1.044 (31 December 2021: USD 1.044) obtained against the doubtful receivables in marketing sector and properties amounting to USD 38.753 (31 December 2021: USD 41.837) which were acquired as a result of legal proceedings of uncollectable loans and receivables of banking sector operations.

5 Business acquisitions

Cetel Telekom signed a contract for sale of shares through which Cetel Telekom sells to 4iG NYILVANOSAN MUKODO RESZVENYTARSASAG (“4iG”), its shares in Albtelekom, 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)

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5 Business acquisitions (continued)

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

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6 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.

The 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 Turkey 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, mining, 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 30 June 2022.

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6 Operating segments (continued)

The following information was prepared according to the accounting policies applied for subsidiaries, associates, joint ventures and joint operations.

	Reviewed								
	30 June 2022								
	Energy	Construction	Textile	Mining	Maden	Banking and Finance	Other	Elimination	Total
Revenue	570.798	78.261	129.318	48.616	24.038	350.885	50.154	(61.944)	1.190.126
Gross profit	119.162	12.379	42.745	9.361	16.294	221.625	20.251	(22.885)	418.932
Other income/(expenses), net	(50.218)	(10.269)	(674)	(7.683)	(4.148)	(14.844)	(25.373)	17.068	(96.141)
Results from operating activities	68.944	2.110	42.071	1.678	12.146	206.781	(5.122)	(5.817)	322.791
Gains /(loss) from investing activities	2.013	16.769	9	--	(17.708)	(10.059)	125.028	(104.545)	11.507
Share of profit/(loss) of equity accounted investees	1.721	--	4.212	--	(321)	(717)	--	(4.212)	683
Interest expense	(5.189)	(9.897)	(11.550)	(2.808)	(1.325)	(153)	(13.043)	16.435	(27.530)
Finance income/(expenses), net	1.283	33.016	(11.641)	4.816	54.563	(3.528)	13.951	(463)	91.997
Consolidated income/(loss) before tax	68.772	41.998	23.101	3.686	47.355	192.324	120.814	(98.602)	399.448
Tax benefit/(expense)	(11.681)	4.260	29.194	(255)	1.265	(36.617)	(2.905)	(3.346)	(20.085)
Net profit/(loss) for the period	57.091	46.258	52.295	3.431	48.620	155.707	117.909	(101.948)	379.363

	Energy	Construction	Textile	Mining	Maden	Banking and Finance	Other	Elimination	Total
Segment assets	1.306.587	928.899	281.599	110.082	347.928	7.414.486	1.114.925	(1.312.339)	10.192.167
Segment liabilities	(737.153)	(640.206)	(195.722)	(51.524)	(58.495)	(6.661.791)	(287.540)	390.457	(8.241.974)
Tangible and intangible asset investments	47.630	1.286	1.602	217	5.814	10.243	2.963	--	69.755
Depreciation and amortization ^(*)	(6.310)	(2.232)	(2.904)	(71)	(4.698)	(6.438)	(3.132)	(932)	(26.717)

^(*) Additions and depreciation related to right of use assets are not included.

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6 Operating segments (continued)

<i>Rewieved</i>										
<i>Restated (Note 2.f)</i>										
30 June 2021										
	Energy	Construction	Textile	Marketing	Mining	Tele-communication	Banking and Finance	Other	Elimination	Total
Revenue	473.423	112.231	101.243	33.852	--	32.317	313.344	23.867	(63.107)	1.027.170
Gross profit	148.911	1.296	36.500	6.193	--	9.753	176.262	6.675	(22.448)	363.142
Other income/(expenses), net	(43.603)	(7.855)	(6.340)	(158)	(2.387)	(10.780)	(64.342)	(14.637)	3.031	(147.071)
Results from operating activities	105.308	(6.559)	30.160	6.035	(2.387)	(1.027)	111.920	(7.962)	(19.417)	216.071
Gains /(loss) from investing activities	1.223	15	249	--	5.257	30	5.901	81.174	(81.767)	12.082
Share of profit/(loss) of equity accounted investees	21.510	--	--	--	(1.572)	--	(1.372)	--	--	18.566
Interest expense	(3.321)	(20.232)	(10.700)	(2.092)	(3.648)	(3.687)	(2.275)	(26.573)	12.737	(59.791)
Finance income/(expenses), net	3.742	30.596	(24.726)	1.942	3.927	382	(1.780)	29.190	(3.682)	39.591
Consolidated income/(loss) before tax	128.462	3.820	(5.017)	5.885	1.577	(4.302)	112.394	75.829	(92.129)	226.519
Tax benefit/(expense)	(13.115)	(1.320)	(110)	(235)	1.498	105	(25.128)	1.125	(15)	(37.195)
Net profit/(loss) for the period	115.347	2.500	(5.127)	5.650	3.075	(4.197)	87.266	76.954	(92.144)	189.324
	Energy	Construction	Textile	Marketing	Mining	Tele-communication	Banking and Finance	Other	Elimination	Total
Segment assets	1.132.914	829.800	266.145	108.371	363.520	229.279	7.887.301	1.059.397	(1.421.661)	10.455.066
Segment liabilities	(497.353)	(571.976)	(220.860)	(46.290)	(64.378)	(194.025)	(7.052.663)	(348.604)	523.028	(8.473.121)
Investment property, tangible and intangible assets investments (**)	12.473	2.109	4.528	83	11.524	3.781	6.121	114	(482)	40.251
Depreciation and amortisation (*)	(7.652)	(4.475)	(5.081)	(81)	(94)	(6.818)	(8.262)	(929)	57	(33.335)

(*) Additions and depreciation related to right of use assets are not included.

(**) Items related to profit or loss of income are presented as at 30 June 2021, while items related to the statements of financial position are presented as at 31 December 2021.

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7 Related party balances

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 30 June 2022 and 31 December 2021, the Group had the following balances outstanding from its related parties:

30 June 2022					
	Shareholders	Associates	Joint ventures	Other	Total
Trade receivables	--	26.616	1.238	130.127	157.981
Financial Investments	--	134.067	--	--	134.067
Other receivables (*)	330.736	53	9.493	1.882	342.164
Receivables related to financial sector operations	--	--	--	1.938	1.938
Prepaid expenses	--	2.897	--	572	3.469
Borrowings	--	(134.067)	--	(538)	(134.605)
Trade payables	--	(2.312)	(312)	(707)	(3.331)
Payables related to finance sector operations	(76)	(56)	(957)	(33.764)	(34.853)
Deferred revenue	--	--	--	(1.422)	(1.422)
Other payables	--	(211)	--	(12)	(223)
Total	330.660	26.987	9.462	98.076	465.185

31 December 2021					
	Shareholders	Associates	Joint ventures	Other	Total
Trade receivables	--	22.806	2.876	126.038	151.720
Financial Investments	--	158.782	--	--	158.782
Other receivables (*)	330.810	66	4.766	2.462	338.104
Receivables related to financial sector operations	--	3	--	2.143	2.146
Prepaid expenses	--	4.762	--	20	4.782
Borrowings	--	(158.782)	--	(216)	(158.998)
Trade payables	--	(3)	(532)	(2.686)	(3.221)
Payables related to finance sector operations	(455)	--	(201)	(17.652)	(18.308)
Deferred revenue	--	--	--	(3.118)	(3.118)
Other payables	--	--	--	(1)	(1)
Total	330.355	27.634	6.909	106.990	471.888

(*) As of 30 June 2022, USD 320.000 of the other receivables from the partners (31 December 2021: 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 30 June 2022 (31 December 2021: None) and no specific allowance has been made for impairment losses on balances with the related parties.

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7 Related party balances (continued)

Related party transactions

For the six-month periods ended 30 June 2022 and 2021, the revenues earned and expenses incurred by the Group in relation to transactions with its related parties were as summarised below:

2022					
	Shareholders	Associates	Joint ventures	Other	Total
Revenue	--	17.793	3.211	7.588	28.592
Cost of sales	(15)	(9.386)	(480)	(514)	(10.395)
General and administrative expenses	--	--	(4)	(272)	(276)
Selling, marketing and distribution expenses	--	--	--	(944)	(944)
Income from investment activities (*)	--	30.913	5.356	0	36.269
Income / (expense) from other operations	--	59	186	(13)	232
Income/(expense) from financing activities	25	(2.174)	172	--	(1.977)
Total	10	37.205	8.441	5.845	51.501
2021					
	Shareholders	Associates	Joint ventures	Other	Total
Revenue	53	15.056	2.771	36.353	54.233
Cost of sales	--	(5.106)	53	(2.448)	(7.501)
General and administrative expenses	(53)	--	(318)	(56)	(427)
Selling, marketing and distribution expenses	--	--	--	(334)	(334)
Income from investment activities (*)	--	37.740	1.308	14	39.062
Income / (expense) from other operations	--	15	945	25	985
Income/(expense) from financing activities	1.991	(7.228)	97	(306)	(5.446)
Total	1.991	40.477	4.856	33.248	80.572

(*) As of 30 June 2022, USD 30.913 of the related amount consists of dividend income received from Anagold Madencilik San. ve Tic. A.Ş. (30 June 2021: USD 37.740).

Transactions with key management personnel

On a consolidated basis, key management costs included in general and administrative expenses for the six-month period ended 30 June 2022 amounted to USD 13.662 (2021: USD 14.371).

8 Cash and cash equivalents

At 30 June 2022 and 31 December 2021, cash and cash equivalents comprised the following:

30 June 2022	Finance (*)	Non-finance (**)	Total
Cash on hand	95.521	1.109	96.630
Cash at banks	679.211	125.386	804.597
-Demand deposits	230.310	68.243	298.553
-Time deposits	448.901	57.143	506.044
Balances at central bank (excluding statutory reserve)	48.798	--	48.798
Other cash and cash equivalents (***)	2.273	1.226	3.499
Cash and cash equivalents	825.803	127.721	953.524
Restricted amounts	(29.456)	(8.187)	(37.643)
Cash and cash equivalents in the consolidated statement of cash flows	796.347	119.534	915.881

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8 Cash and cash equivalents (continued)

31 December 2021	Finance (*)	Non-finance (**)	Total
Cash on hand	88.949	484	89.433
Cash at banks	878.572	175.338	1.053.910
-Demand deposits	308.685	136.992	445.677
-Time deposits	569.887	38.346	608.233
Balances at central bank (excluding statutory reserve)	117.446	--	117.446
Other cash and cash equivalents (***)	1.375	9.613	10.988
Cash and cash equivalents	1.086.342	185.435	1.271.777
Restricted amounts	(17.230)	(20.825)	(38.055)
Cash and cash equivalents in the consolidated statement of cash flows	1.069.112	164.610	1.233.722

(*) 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 30 June 2022, other cash and cash equivalents are mainly; money in transit amounting to USD 1.442 (31 December 2021: USD 709) and other cash and cash equivalents of USD 253. As of 30 June 2022, reverse repo transactions amounting to 1.804 USD (31 December 2021: there are no reverse repo transactions). As of 30 June 2022, it does not consist of liquid funds (31 December 2021: USD 8.887).

As of 30 June 2022, cash and cash equivalents amounting to USD 37.643 (31 December 2021: USD 38.055) owned by the Group are blocked and therefore this balance cannot be used in daily operations. In the non-financial sectors of the Group, USD 7.362 (31 December 2021: USD 8.677) is required to be held in domestic banks as collateral for the loans used. Remaining limited-use cash and cash equivalents amounting to USD 825 (31 December 2021: USD 1.629) are not available for the Group's daily transactions. As of 30 June 2022, the Group has no blocked deposits originating from cash loans used in the mining sector (31 December 2021: USD 10.519).

Mandatory blocked account amount resulting from the Group's banking activities in Albania and Turkey is USD 29.456 (31 December 2021: USD 17.230).

The foreign currency risk that the Group is exposed to for cash and cash equivalents is explained in Note 26.

9 Financial investments

At 30 June 2022 and 31 December 2021, financial investments comprised the following:

	30 June 2022		Total
	Current	Non-current	
Financial assets at FVTOCI	802.871	1.541.573	2.344.444
Financial assets at FVTPL (*)	178.402	227.400	405.802
Financial assets at amortised costs	269.969	445.374	715.343
Total	1.251.242	2.214.347	3.465.589

(*) As at 30 June 2022 and 2021, 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 30 June 2022, a decrease in fair value for this investment amounting to USD 50.200 has been recognised under "Loss from investing activities" in loss due to valuation of equity securities at fair value through loss after in the tax effect (As at 30 June 2021, an increase in fair value for this investment amounting to USD 32.400 has been recognised under "Gain from investing activities" in profit due to valuation of equity securities at fair value through profit after in the tax effect.).

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9 Financial investments (continued)

<i>Restated (Note 2.f)</i>			
31 December 2021			
	Current	Non-current	Total
Financial assets at FVTOCI	931.364	1.765.087	2.696.451
Financial assets at FVTPL	188.828	277.106	465.934
Financial assets at amortised costs	117.156	162.639	279.795
Total	1.237.348	2.204.832	3.442.180

<i>Restated (Note 2.f)</i>			
31 December 2020			
	Current	Non-current	Total
Financial assets at FVTOCI	1.315.933	1.458.820	2.774.753
Financial assets at FVTPL	265.200	29.534	294.734
Financial assets at amortised costs	111.628	122.883	234.511
Total	1.692.761	1.611.237	3.303.998

As at 30 June 2022 and 31 December 2021 financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial asset at fair value through amortised costs, comprised the following:

	30 June 2022	31 December 2021
	Carrying amount	Carrying Amount
Financial investments of finance sector companies' entities		
Public sector bonds, notes and bills	1.580.845	1.867.900
Private sector bonds, notes and bills	665.775	709.690
Asset backed securities and lease certificates	115.528	205.812
Investment funds	118.591	61.355
Equity securities – listed	38.556	40.369
Other	3.400	--
Equity securities – non-listed		
Anagold Madencilik Sanayi ve Ticaret Anonim Şirketi	216.000	266.200
Bursagaz Bursa Şehiriçi		
Doğal Gaz Dağıtım Ticaret ve Taahhüt Anonim Şirketi	5.072	5.072
Kayserigaz Kayseri Doğalgaz		
Dağıtım Pazarlama Ticaret Anonim Şirketi	4.336	4.336
Other	2.143	1.651
Total	2.750.246	3.162.385

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9 Financial investments (continued)

As at 30 June 2022 financial assets at amortised costs and as at 31 December 2021 financial assets at amortised costs comprised the following:

	30 June 2022	31 December 2021
	Carrying amount	Carrying amount
Public sector bonds, notes and bills	407.449	85.079
Private sector bonds, notes and bills	232.859	149.235
Asset backed securities and lease certificates	75.035	41.491
Other ^(*)	--	3.990
Total	715.343	279.795

10 Financial assets related to concession agreements

As at 30 June 2022 and 31 December 2021, financial assets related to concession agreements comprised the following:

	30 June 2022	31 December 2021
Current financial assets related to concession agreements	48.171	43.447
Non-current financial assets related to concession agreements	82.491	130.034
Total	130.662	173.481

Movements of financial assets related to concession agreements for the six months period ended 30 June 2022 and 2021 were as follows:

	30 June 2022	30 June 2021
Financial asset at the beginning of the period	173.481	254.459
Investments during the year	8.046	13.038
Collections	(38.155)	(35.587)
<i>Principal collections</i>	(24.183)	(22.394)
<i>Financial income collections</i>	(13.972)	(13.193)
Financial income	20.999	24.400
Foreign currency translation differences	(33.709)	(39.446)
Financial asset at the end of period	130.662	216.864

As at 30 June 2022 and 31 December 2021, the maturity breakdown of the financial assets related to concession agreements:

	30 June 2022	31 December 2021
Up to 1 year	48.171	43.447
Up to 1 - 3 years	55.041	69.347
Up to 3 - 5 years	21.694	49.131
Over 5 years	5.756	11.556
Total	130.662	173.481

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11 Trade receivables and payables

Trade receivables

Short-term trade receivables

As at 30 June 2022 and 31 December 2021, short-term trade receivables comprised the following:

	30 June 2022	31 December 2021
Due from related parties	156.320	151.175
Due from third parties	401.496	306.983
Total	557.816	458.158

As at 30 June 2022 and 31 December 2021, short-term trade receivables comprised the following:

	30 June 2022	31 December 2021
Accounts receivables	530.258	420.505
Doubtful receivables	31.133	54.216
Notes receivables (*)	21.595	33.955
Postdated cheques received	4.746	1.825
Other trade receivables	1.367	1.999
Subtotal	589.099	512.500
Allowances for doubtful trade receivables (-)	(31.133)	(54.216)
Discount on trade receivables (-)	(150)	(126)
Total	557.816	458.158

(*) As of June 30, 2022, USD 20.547 of notes receivable consists of notes received from Çalık Denim's commercial activities (31 December 2021: USD 28.339).

Long-term trade receivables

As at 30 June 2022 and 31 December 2021, long-term trade receivables comprised the following:

	30 June 2022	31 December 2021
Due from related parties	1.661	545
Due from third parties	21.592	55.200
Total	23.253	55.745

As at 30 June 2022 and 31 December 2021, long-term trade receivables comprised the following:

	30 June 2022	31 December 2021
Accounts receivables	23.069	55.769
Notes receivables	192	--
Subtotal	23.261	55.769
Discount on trade receivables (-)	(8)	(24)
Total	23.253	55.745

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11 Trade receivables and payables (continued)

Trade receivables (continued)

Long-term trade receivables (continued)

Movements of allowance for doubtful receivables for the six-month periods ended 30 June 2022 and 2021 were as follows:

	2022	2021
Balance at 1 January	54.216	58.890
Allowance for the period	3.889	3.559
Recoveries of amounts previously impaired (-)	(326)	(51)
Reversal of impairment allowances no longer required (-)	(980)	(3.081)
Translation difference	(6.543)	(2.266)
Disposals from the scope of consolidation (Note 5)	(19.123)	--
Total	31.133	57.051

Trade payables

Short-term trade payables

As at 30 June 2022 and 31 December 2021, short-term trade payables comprised the following:

	30 June 2022	31 December 2021
Due from related parties	3.331	3.221
Due from third parties	234.308	281.428
Total	237.639	284.649

	30 June 2022	31 December 2021
Accounts payables (*)	232.343	276.580
Notes payable	--	5.404
Other trade payables	5.296	2.665
Total	237.639	284.649

(*) 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.

The Group's exposure to currency risks related to trade receivables and trade payables are disclosed in Note 26.

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12 Receivables and payables from finance sector activities

Short term receivables from finance sector activities

As at 30 June 2022 and 31 December 2021, current receivables related to finance sector activities comprised the following:

Short term receivables related to finance sector activities	30 June 2022	31 December 2021
Due from third parties	1.938	2.146
Due from related parties	940.128	758.998
Total	942.066	761.144

Short term receivables related to finance sector activities	30 June 2022	31 December 2021
Loans and receivables from customers	795.031	680.184
Loans and receivables from banks	144.218	78.676
Non-performing loans and receivables	27.928	33.684
Subtotal	967.177	792.544
Provision for impairment in value of loans and receivables	(25.111)	(31.400)
Total	942.066	761.144

As at 30 June 2022 and 31 December 2021, long term receivables related to finance sector activities comprised the following:

Long Term Receivables related to finance sector activities	30 June 2022	31 December 2021
Due from third parties	1.386.273	1.560.379
Total	1.386.273	1.560.379

Long Term Receivables related to finance sector activities	30 June 2022	31 December 2021
Loans and receivables from customers	1.419.904	1.577.942
Loans and receivables from banks	49.773	59.633
Subtotal	1.469.677	1.637.575
Provision for impairment in value of loans and receivables	(83.404)	(77.196)
Total	1.386.273	1.560.379

For the six-month period ended on 30 June 2022, impairment losses for loans and receivables was USD 1.205, whereas the reversal and recovery of the provision for impairment in value of loans and receivables of the amount was USD 14.540. (30 June 2021: impairment expense for loans and receivables and reversal and recovery of the provision for impairment in value of loans and receivables amounting to USD 2.735 and USD 13.438, respectively).

Short term payables related to finance sector activities

As at 30 June 2022 and 31 December 2021, short term payables related to finance sector activities comprised the following:

Short term payables related to finance sector activities	30 June 2022	31 December 2021
Due from related parties	34.852	18.308
Due from third parties	4.709.506	4.809.417
Total	4.744.359	4.827.725

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12 Receivables and payables from finance sector activities (continued)

Short term payables related to finance sector activities (continued)

Short term payables related to finance sector activities	30 June 2022	31 December 2021
Due to banks	14.794	63.782
<i>Time deposits</i>	13.494	63.142
<i>Current accounts</i>	1.300	640
Due to customers	3.329.253	3.522.773
<i>Individual</i>	2.550.195	2.676.629
<i>Private enterprises</i>	653.460	694.861
<i>Public institutions</i>	69.303	94.184
<i>Other</i>	56.295	57.099
Funds and payment accounts (*)	665.228	568.306
Funds from repo transactions	735.084	672.864
Total	4.744.359	4.827.725

(*) The customer accounts represent the transitory balances of loan customers for the respective transactions. As at 30 June 2022, this account does not include any deposit amount (31 December 2021: None).

Long term payables related to finance sector activities

As at 30 June 2022 and 31 December 2021, long term payables related to finance sector activities comprised the following:

Long term payables related to finance sector activities	30 June 2022	31 December 2021
Payables from finance sector activities to third parties	660.062	661.127
Total	660.062	661.127

Long term payables related to finance sector activities	30 June 2021	31 December 2020
Due to customers	660.062	658.934
<i>Individual</i>	596.109	597.622
<i>Private enterprises</i>	46.732	44.307
<i>Public institutions</i>	17.221	16.803
<i>Other</i>	--	202
Due to banks	--	2.193
<i>Time deposits</i>	--	2.193
Total	660.062	661.127

13 Inventories

As at 30 June, the Group wrote down provision for impairment about its inventory is amounting to USD 2.332 (30 June 2021: USD 6.210).

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14 Investments in equity-accounted investees

i) Joint ventures

For the six-month periods ended 30 June 2022 and 2021, the movements in investments in joint ventures were as follows:

	<i>Restated (Note 2.f)</i>	
	2022	2021
Balance at 1 January (previously reported)	170.221	210.542
Restatement effect (Note 2.f)	(1.436)	15
Balance at 1 January	168.785	210.557
Share of profit of equity accounted investees	1.400	19.938
Capital contribution to share capital increase in joint ventures	--	481
Dividends	--	(14.912)
Change in share of associates	(15)	--
Currency translation difference	(2.392)	(4.105)
Balance at 30 June	167.778	211.959

ii) Associates

For the six-month periods ended 30 June 2022 and 2021, the movements in investments in associates were as follows:

	2022	2021
Balance at 1 January	8.831	11.473
Capital contribution to share capital increase in associates	1.514	2.227
Currency translation difference	(261)	(1.414)
Share of loss of equity-accounted investees	(717)	(1.372)
Capital contribution to share capital decrease in associates	(855)	--
Balance at 30 June	8.512	10.914

15 Property, plant and equipment

For the six-month periods ended 30 June 2022 and 2021, movements in the property, plant and equipment were as follows:

	<i>Restated (Note 2.f)</i>	
	30 June 2022	30 June 2021
Balance at 1 January (previously reported)	443.242	562.406
Restatement effect (Note 2.f)	17.548	2.407
Net carrying value at 1 January	460.790	564.813
Additions (+)	57.396	24.642
Disposals (-)	(7.978)	(3.331)
Adjustments	10.711	--
Disposals from the scope of consolidation (Note 5)	(167.584)	--
Currency translation difference	(28.972)	(40.581)
Transfers	(185)	210
Additions through acquisitions	7.970	--
Depreciation for the period (-)	(19.130)	(25.962)
Net carrying value at 30 June	313.018	519.791

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16 Intangible assets and goodwill

For the six-month periods ended 30 June 2022 and 2021, movements in the intangible assets and goodwill were as follows:

	<i>Restated (Note 2.f)</i>	
	30 June 2022	30 June 2021
Balance at 1 January (previously reported)	114.991	128.008
Restatement effect (Note 2.f)	31.721	25.711
Net carrying value at 1 January	146.712	153.719
Additions (+)	12.359	13.607
Disposals (-)	(238)	(12)
Currency translation difference	(15.840)	(12.605)
Transfers	185	(210)
Adjustments	(13)	1.150
Amortisation for the period (-)	(7.587)	(7.373)
Disposals from the scope of consolidation (Note 5)	(17.925)	--
Net carrying value at 30 June	117.653	148.276

17 Right of use assets

For the six-month periods ended 30 June 2022 and 2021, movements in right of use assets were as follows:

Right of Use Assets	1 January 2022	Additions	Disposals from the scope of consolidation (Note 5)	Currency translation difference	30 June 2022
Right of Use Assets	64.991	1.178	(31.445)	(4.642)	30.082
Right of Use Assets Depreciation	(17.918)	(1.411)	7.724	1.977	(9.628)
Net carrying value	47.073	(233)	(23.721)	(2.665)	20.454

Right of Use Assets	1 January 2021	Additions	Disposals	Currency translation difference	30 June 2021
Right of Use Assets	60.030	6.892	(1.264)	(2.149)	63.509
Right of Use Assets Depreciation	(14.225)	(3.817)	741	765	(16.536)
Net carrying value	45.805	3.075	(523)	(1.384)	46.973

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18 Investment properties

As at 30 June 2022 and 31 December 2021, investment properties comprised the following:

	30 June 2022	31 December 2021
Investment property under development	35.280	61.895
Investment property in use	24.123	19.689
Total	59.403	81.584

For the six-month periods ended 30 June 2022 and 2021, movements in investment properties were as follows:

	2022	2021
Balance at 1 January	81.584	130.338
Additions / Disposals (*)	(29.858)	2.002
Currency translation difference	7.677	(5.540)
Balance at 30 June	59.403	126.800

(*) The company 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 264.281) has been recognized in income from investment activities.

As at 30 June 2022, the Group has not obtained a valuation report related to operating investment properties and investment properties under construction. However, the Group obtained a valuation report related to investment properties and investment properties under construction as at 31 December 2021.

As of 30 June 2021, the Group management has not received any valuation report in its interim condensed consolidated financial statements, as it does not expect a significant change in the fair value of its investment properties.

The Group obtained independent appraisal reports for each item of investment property and measured them at their fair values at the year ends. Fair value information for all investment property within the scope of TFRS 13 based on fair value hierarchy are as follows:

30 June 2022	Level 1	Level 2	Level 3	Total
Investment properties	--	59.403	--	59.403
Total	--	59.403	--	59.403

31 December 2021	Level 1	Level 2	Level 3	Total
Investment properties	--	81.584	--	81.584
Total	--	81.584	--	81.584

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19 Loans and borrowings

As at 30 June 2022 and 31 December 2021, loans and borrowings comprised the following:

30 June 2022			
Short term loans and borrowings	Finance	Non Finance	Total
Securities issued	558.063	9.181	567.244
Funds borrowed by the Group's banking subsidiaries	313.264	--	313.264
Current portion of long-term bank loans	1	210.149	210.150
Bank loans	2	181.768	181.770
Lease obligations	2.365	3.049	5.414
Sukuk agreement	--	4.216	4.216
Total	873.695	408.363	1.282.058

Long term loans and borrowings	Finance	Non Finance	Total
Sukuk agreement	--	144.979	144.979
Bank loans	--	127.668	127.668
Securities issued	63.938	44.070	108.008
Subordinated liabilities	25.960	--	25.960
Lease obligations	13.542	4.288	17.830
Funds borrowed by the Group's banking subsidiaries	6.955	--	6.955
Total	110.395	321.005	431.400

Restated (Note 2.f)

31 Dec 2021			
Short term loans and borrowings	Finance	Non Finance	Total
Funds borrowed by the Group's banking subsidiaries	631.400	--	631.400
Securities issued	617.746	9.779	627.525
Bank loans	2	189.025	189.027
Current portion of long-term bank loans	7.319	141.449	148.768
Lease obligations	2.607	8.547	11.154
Sukuk agreement	--	10.051	10.051
Factoring payables	--	650	650
Total	1.259.074	359.501	1.618.575

Long term loans and borrowings	Finance	Non Finance	Total
Bank loans	39.046	140.457	179.503
Sukuk agreement	--	151.647	151.647
Lease obligations	15.790	27.125	42.915
Securities issued	31.180	7.342	38.522
Subordinated liabilities	28.337	--	28.337
Funds borrowed by the Group's banking subsidiaries	10.075	--	10.075
Total	124.428	326.571	450.999

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19 Loans and borrowings (continued)

Restated (Note 2.f)			
31 Dec 2020			
Short term loans and borrowings	Finance	Non Finance	Total
Securities issued	1.010.110	--	1.010.110
Funds borrowed by the Group's banking subsidiaries	380.659	--	380.659
Bank loans	--	290.470	290.470
Current portion of long-term bank loans	8.549	167.246	175.795
Lease obligations	2.466	11.874	14.340
Factoring payables	--	3.680	3.680
Total	1.401.784	473.270	1.875.054

Long term loans and borrowings	Finance	Non Finance	Total
Bank loans	38.320	183.154	221.474
Sukuk agreement	--	186.645	186.645
Lease obligations	16.196	28.793	44.989
Subordinated liabilities	30.667	--	30.667
Funds borrowed by the Group's banking subsidiaries	16.356	--	16.356
Securities issued	2.135	--	2.135
Total	103.674	398.592	502.266

As of 30 June 2022, there are no mortgages (31 December 2021: USD 200.000) on carrying amounting to USD 35.280 (31 December 2021: USD 61.895) investment properties under construction, letter of bank guarantees amounting to EUR 36.698 ve USD 4.086 given for Exim Bank loans (31 December 2021: USD 103 ve EUR 16.430)

There are pledges over Çalık Enerji's shares of the Group's subsidiaries YEDAŞ, YEPAŞ and ÇEDAŞ with numbers of shares by 85 (TL 0,00085 or 0,0000002% of total voting shares), 115 (TL 0,00115 or 0,000002% of total voting shares), 377.622.000 (TL 377.622 or 99,9% of total voting shares), respectively and ÇEDAŞ's shares of YEPAŞ and YEDAŞ, with number of shares by 6.358.770.388 (TL 63.587 or 99,999993% of total voting shares) and 35.700.685.312 (TL 357.006 or 99,9999990% of total voting shares), as a guarantee for the bank borrowings used or will be used by Çalık Holding, ÇEDAŞ, YEDAŞ and YEPAŞ from Ziraat Bankası A.Ş..

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20 Derivatives

The carrying values of derivative instruments held at 30 June 2022 and 31 December 2021, were as follows:

	30 June 2022		31 December 2021	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Futures transactions	15.222	(648)	9.165	--
Swap transactions	14.137	(9.524)	16.029	(2.317)
Currency options	1.473	(1.497)	519	(454)
Forward transactions	731	(916)	1.897	(1.341)
Total	31.563	(12.585)	27.610	(4.112)

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.

21 Provisions

As at 30 June 2022 and 31 December 2021, provisions comprised the following items:

	30 June 2022	31 December 2021
<u>Short term provisions</u>		
Short term employee benefits	13.729	14.221
Other short-term provisions	17.767	17.260
Total short-term provisions	31.496	31.481
<u>Long term provisions</u>		
Long term employee benefits	11.065	10.770
Other long-term provisions	80	1.067
Total long-term provisions	11.145	11.837
Total provisions	42.641	43.318

As at 30 June 2022 and 31 December 2021, short-term and long term employee benefits comprised the following items:

	30 June 2022	31 December 2021
<u>Short-term</u>		
Bonus provisions	8.728	10.093
Vacation pay liability	5.001	4.128
Total	13.729	14.221
<u>Long term</u>		
Employee termination benefits	11.065	10.770
Total	11.065	10.770

As at 30 June 2022 and 31 December 2021, other provisions comprised the following items:

	30 June 2022	31 December 2021
Provision for litigations	10.515	12.635
Provisions for expenses	5.862	3.786
Other current provisions	1.470	1.906
Total	17.847	18.327

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21 Provisions *(continued)*

For the six-month periods ended 30 June 2022 and 2021, movements in the provisions were as follows:

2022	1 January	Provision for the period	Recoveries/ payments during the year	Disposals from the scope of consolidation (Note 5)	Currency translation difference	30 June
Provision for litigations	12.635	494	(233)	(905)	(1.476)	10.515
Bonus provisions	10.093	4.213	(3.554)	--	(2.024)	8.728
Reserve for severance payments ^(*)	10.770	2.378	(173)	--	(1.910)	11.065
Vacation pay liability	4.128	1.734	144	(622)	(383)	5.001
Other expense provisions	5.692	3.366	(506)	--	(1.220)	7.332
Total	43.318	12.185	(4.322)	(1.527)	(7.013)	42.641

2021	1 January	Provision for the period	Recoveries/ payments during the year	Currency translation difference	30 June
Provision for litigations	16.977	546	(962)	(1.972)	14.589
Bonus provisions	13.818	4.672	(6.988)	(1.523)	9.979
Reserve for severance payments ^(*)	11.844	1.290	(779)	(1.533)	10.822
Vacation pay liability	4.390	1.444	(46)	(452)	5.336
Other expense provisions	8.278	1.349	(773)	(1.123)	7.731
Total	55.307	9.301	(9.548)	(6.603)	48.457

^(*) The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees.

Litigation and claims

As at 30 June 2022, the expected cash outflow amount for the pending claims filed against to the Group is USD 10.515 (30 June 2021: USD 14.589). As at 30 June 2022 and 31 December 2021, 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.

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22 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 30 June 2022 are as follows:

30 June 2022	Original currency (USD equivalent)			
	USD	TL	Others	Total
A. Total amount of GPMs given in the name of its own legal personality	312.966	45.601	93.837	452.404
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	47.908	--	47.908
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	47.908	--	47.908
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D. Other GPMs given	48	6.397	--	6.445
Total	313.014	99.906	93.837	506.757

GPMs in respect of commitment and contingencies realised in the ordinary course of business outside the finance sector were given as at 31 December 2021 are as follows:

31 December 2021	Original currency (USD equivalent)			
	USD	TL	Others	Total
A. Total amount of GPMs given in the name of its own legal personality	447.820	52.931	67.530	568.281
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	59.886	--	59.886
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	59.886	--	59.886
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D. Other GPMs given (*)	--	13.953	--	13.953
Total	447.820	126.770	67.530	642.120

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23 Taxation

Turkey

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

In Turkey, corporate tax rate is 23% as at 30 June 2022 (31 December 2021: 25%) temporary corporate tax return are filled on a quarterly basis. According to the Corporate Tax Law, 75 percent of the income obtained from the sales of subsidiaries and real estates owned for at least two years is subject to tax exemption if it is recorded in the equity accounts within five years from the date of sale. The remaining 25 percent is subject to corporate tax. As of 2018 the rates have been revised to 50 percent for real estate.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. According to the amendments in the tax legislations, which became effective from 24 April 2003, dividends that are paid to the shareholders from the profits of the years between 1999 and 2002 are immune from the withholding tax, if such profits are exempted from corporation tax bases of the companies. As per the decision no.2006/10731 of the Council of Ministers published in the Official Gazette no.26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no:5520 revised.

Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions was increased from 10 percent to 15 percent. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue reassessments based on their findings.

Possible tax audits

In Turkey, 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.

Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

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23 Taxation (continued)

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Tax applications for foreign subsidiaries and joint ventures of the Group

As of 30 June 2022, there is no change the Group, its subsidiary and joint ventures tax applications compared to year-end.

Tax recognised in profit or loss

Income tax expense for the six-month period ended 30 June 2022 and 2021 comprised the following items:

	<i>Restated (Note 2.f)</i>	
	30 June 2022	30 June 2021
Taxes expense	55.532	33.749
Deferred tax expense / (income)	(35.447)	3.446
Total income tax expense	20.085	37.195

Taxes assets / taxes payable on income

Taxes assets / taxes payable on income as at 30 June 2022 and 31 December 2021 comprised the following:

	30 June 2022	31 December 2021
Taxes on income	55.532	79.979
Less: Corporation taxes paid in advance	(42.121)	(63.187)
Foreign currency translation difference	(1.456)	(5.614)
Current tax liabilities/(assets), net	11.955	11.178

As at 30 June 2022, taxes payable on income amounting to USD 27.821 (31 December 2021: USD 20.107) is not offset with prepaid taxes amounting to USD 15.866 (31 December 2021: USD 8.929) since they are related to different tax jurisdictions.

24 Revenue and cost of sales

For the six months periods ended 30 June 2022 and 2021, revenue and cost of sales comprised the following:

	2022	2021
Domestic sales	550.625	406.671
Export sales	342.956	359.441
Other sales	7.009	6.298
Sales discounts (-)	(7.482)	(8.759)
Subtotal (*)	893.108	763.651
Cost of sales (-)	(662.357)	(549.928)
Gross profit from non-finance operations	230.751	213.723
Revenue from finance sector operations (*) (**)	297.018	263.519
Cost of revenues from finance sector operations (-)	(108.837)	(114.100)
Gross profit from finance sector activities	188.181	149.419
Gross profit	418.932	363.142

(*) Segment breakdown of revenue is disclosed in Note 6.

(**) Revenue from finance sector operations include fee and commission income and other revenue from finance sector operations amounted to USD 60.285 (30 June 2021: USD 33.250).

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25 Expenses by nature

For the six months periods ended 30 June 2022 and 2021, personnel and depreciation and amortization expenses comprised the following:

	1 January – 30 June 2022	1 January – 30 June 2021
<u>Personnel expenses</u>		
Cost of sales (-)	42.602	31.265
General and administrative expenses	49.625	54.335
Selling, marketing and distribution expenses	3.325	5.171
Research and development expenses	1.588	1.465
Total	97.140	92.236
<u>Depreciation and amortization expenses</u>		
Cost of sales (-)	15.943	23.341
General and administrative expenses	9.863	11.516
Selling, marketing and distribution expenses	482	1.515
Research and development expenses	672	780
Total	26.960	37.152

26 Financial instruments – Fair values and risk management

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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26 Financial instruments – Fair values and risk management *(continued)*

Currency risk *(continued)*

At 30 June 2022, the currency risk exposures of the Group in USD equivalents are as follows:

CURRENCY POSITION STATEMENT	30 June 2022			
	USD equivalent	TL	EUR	Other ^(*)
1. Trade Receivables	133.517	409.141	59.330	47.107
2a. Monetary financial assets	2.217.660	344.798	1.043.222	1.109.370
2b. Non-monetary financial assets	--	--	--	--
3. Other	296.486	349.479	238.724	26.632
4. Current assets (1+2+3)	2.647.663	1.103.418	1.341.276	1.183.109
5. Trade Receivables	100	--	--	100
6a. Monetary financial assets	1.805.007	--	1.165.937	589.477
6b. Non-monetary financial assets	--	--	--	--
7. Other	24.927	7.312	1.666	22.751
8. Non-current assets (5+6+7)	1.830.034	7.312	1.167.603	612.328
9. Total Assets (4+8)	4.477.697	1.110.730	2.508.879	1.795.437
10. Trade payables	(115.800)	(134.486)	(62.433)	(42.640)
11. Financial liabilities	(459.840)	(1.057.288)	(152.826)	(237.056)
12a. Other monetary liabilities	(3.140.490)	(312.966)	(2.097.528)	(934.959)
12b. Other non-monetary liabilities	(19.430)	--	(1.022)	(18.364)
13. Short term liabilities (10+11+12)	(3.735.560)	(1.504.740)	(2.313.809)	(1.233.019)
14. Trade payables	--	--	--	--
15. Financial liabilities	(148.939)	(1.121.925)	(51.952)	(27.440)
16a. Other monetary liabilities	(452.835)	--	(413.241)	(22.016)
16b. Other non-monetary liabilities	--	(8)	--	--
17. Long term liabilities (14+15+16)	(601.774)	(1.121.933)	(465.193)	(49.456)
18. Total liabilities (13+17)	(4.337.334)	(2.626.673)	(2.779.002)	(1.282.475)
19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)	272.787	--	218.835	44.643
19a. Hedged portion of assets amount	1.103.442	--	374.497	713.015
19b. Hedged portion of liabilities amount	(830.655)	--	(155.662)	(668.372)
20. Net foreign currencies assets / (liability) position (9+18+19)	413.150	(1.515.943)	(51.288)	557.605
21. Monetary items Net foreign currencies assets / (liability) position (TFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	(161.620)	(1.872.726)	(509.491)	481.943

^(*) USD equivalents are given.

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26 Financial instruments – Fair values and risk management (continued)

Currency risk (continued)

At 31 December 2021, the currency risk exposures of the Group in USD equivalents are as follows:

CURRENCY POSITION STATEMENT	31 December 2021			
	USD equivalent	TL	EUR	Other ^(*)
1. Trade Receivables	116.059	316.137	39.815	47.275
2a. Monetary financial assets	2.478.034	61.605	1.147.269	1.174.852
2b. Non-monetary financial assets	--	--	--	--
3. Other	277.171	72.038	222.393	20.046
4. Current assets (1+2+3)	2.871.264	449.780	1.409.477	1.242.173
5. Trade Receivables	630	7.067	--	100
6a. Monetary financial assets	1.779.902	24.416	1.042.710	597.858
6b. Non-monetary financial assets	--	--	--	--
7. Other	4.724	1.560	310	4.256
8. Non-current assets (5+6+7)	1.785.256	33.043	1.043.020	602.214
9. Total Assets (4+8)	4.656.520	482.823	2.452.497	1.844.387
10. Trade payables	(158.594)	(337.316)	(102.748)	(16.989)
11. Financial liabilities	(641.965)	(885.229)	(170.489)	(382.581)
12a. Other monetary liabilities	(3.075.488)	(91.020)	(1.945.637)	(866.451)
12b. Other non-monetary liabilities	(10.089)	--	(500)	(9.524)
13. Short term liabilities (10+11+12)	(3.886.136)	(1.313.565)	(2.219.374)	(1.275.545)
14. Trade payables	(5)	--	(4)	--
15. Financial liabilities	(250.968)	(1.217.945)	(68.217)	(82.379)
16a. Other monetary liabilities	(434.132)	--	(363.397)	(22.813)
16b. Other non-monetary liabilities	(1)	(8)	--	--
17. Long term liabilities (14+15+16)	(685.106)	(1.217.953)	(431.618)	(105.192)
18. Total liabilities (13+17)	(4.571.242)	(2.531.518)	(2.650.992)	(1.380.737)
19. Outside of the financial statements derivatives instruments				
net assets / (liability) position (19a+19b)	31.004	38	88.339	(68.987)
19a. Hedged portion of assets amount	720.783	38	155.090	545.238
19b. Hedged portion of liabilities amount	(689.779)	--	(66.751)	(614.225)
20.Net foreign currencies assets / (liability) position (9+18+19)	116.282	(2.048.657)	(110.156)	394.663
21. Monetary items Net foreign currencies assets / (liability) position (TFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	(186.527)	(2.122.285)	(420.698)	448.872

^(*) USD equivalents are given.

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26 Financial instruments – Fair values and risk management (continued)

Currency risk (continued)

Sensitivity analysis

A strengthening/weakening of the USD against the other currencies below would have increased/ (decreased) the comprehensive income and profit/loss (excluding the tax effect) as at 30 June 2022 and 31 December 2021 as follows:

30 June 2022	Profit / (Loss)		Equity	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
Increase/(decrease) 10% of TL parity				
1-TL Dollar net asset / liability	9.099	(9.099)	--	--
2-Hedged portion of TL amounts (-)	--	--	--	--
3-Net effect of TL (1+2)	9.099	(9.099)		
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	5.347	(5.347)	--	--
5-Hedged portion of EUR amounts (-)	--	--	--	--
6-Net effect of EUR (4+5)	5.347	(5.347)		
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	(55.760)	55.760	--	--
8-Hedged portion of other foreign currency amounts (-)	--	--	--	--
9-Net effect of other foreign currencies (7+8)	(55.760)	55.760		
TOTAL (3+6+9)	(41.314)	41.314		
31 December 2021	Profit / (Loss)		Equity	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
Increase/(decrease) 10% of TL parity				
1-TL net asset / liability	15.370	(15.370)	--	--
2-Hedged portion of TL amounts (-)	--	--	--	--
3-Net effect of TL (1+2)	15.370	(15.370)		
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	12.468	(12.468)	--	--
5-Hedged portion of EUR amounts (-)	--	--	--	--
6-Net effect of EUR (4+5)	12.468	(12.468)		
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	(39.466)	39.466	--	--
8-Hedged portion of other foreign currency amounts (-)	--	--	--	--
9-Net effect of other foreign currencies (7+8)	(39.466)	39.466		
TOTAL (3+6+9)	(11.628)	11.628		

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26 Financial instruments – Fair values and risk management *(continued)*

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.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

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26 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.

30 June 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 ^(**)	--	405.802	2.344.444	2.750.246	1.580.845	941.850	227.551	2.750.246
Derivatives ^(**)	--	31.563	--	31.563	--	31.563	--	31.563
Financial assets not measured at fair value	--	--	--	--	--	--	--	--
Financial investments ^(**)	715.343	--	--	715.343	407.449	307.893	--	715.342
Trade receivables	581.069	--	--	581.069	--	--	--	--
Other receivables	476.797	--	--	476.797	--	--	--	--
Cash and cash equivalents	953.524	--	--	953.524	--	--	--	--
Receivables related to finance sector operations	2.328.339	--	--	2.328.339	--	--	--	--
Total	5.055.072	437.365	2.344.444	7.836.881	1.988.294	1.281.306	227.551	3.497.151
Financial liabilities measured at fair value	--	--	--	--	--	--	--	--
Derivatives ^(**)	--	12.585	--	12.585	--	12.585	--	12.585
Financial liabilities not measured at fair value	--	--	--	--	--	--	--	--
Liabilities								
Loans and borrowings ^(**)	1.713.458	--	--	1.713.458	--	--	1.713.458	1.713.458
Trade payables	237.639	--	--	237.639	--	--	--	--
Payables related to finance sector operations	5.404.421	--	--	5.404.421	--	--	--	--
Other payables ^(*)	32.282	--	--	32.282	--	--	--	--
Total	7.387.800	12.585	--	7.400.385	--	12.585	1.713.458	1.726.043

^(*) 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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26 Financial instruments – Fair values and risk management (continued)

Fair value information (continued)

31 December 2021	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 (**)	--	465.934	2.696.451	3.162.385	1.867.900	1.017.226	277.259	3.162.385
Derivatives (**)	--	27.610	--	27.610	--	27.610	--	27.610
Financial assets not measured at fair value								
Financial investments (**)	279.795	--	--	279.795	80.500	199.295	--	279.795
Trade receivables	513.903	--	--	513.903	--	--	--	--
Other receivables	439.147	--	--	439.147	--	--	--	--
Cash and cash equivalents	1.271.777	--	--	1.271.777	--	--	--	--
Receivables related to finance sector operations	2.321.523	--	--	2.321.523	--	--	--	--
Total	4.826.145	493.544	2.696.451	8.016.140	1.948.400	1.244.131	277.259	3.469.790
Financial liabilities measured at fair value								
Derivatives (**)	--	4.112	--	4.112	--	4.112	--	4.112
Financial liabilities not measured at fair value								
Loans and borrowings (**)	2.069.574	--	--	2.069.574	--	--	2.069.574	2.069.574
Trade payables	284.653	--	--	284.653	--	--	--	--
Payables related to finance sector operations	5.488.852	--	--	5.488.852	--	--	--	--
Other payables (*)	23.751	--	--	23.751	--	--	--	--
Total	7.866.830	4.112	--	7.870.942	--	4.112	2.069.574	2.073.686

(*) 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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27 Subsequent events

On October 24, 2022, Kartaltepe Madencilik San. Tic. A.Ş, which is 50%-50% jointly owned by Lidya Madencilik San. ve Tic. A.Ş. and Alacer Gold Madencilik A.Ş.; an agreement was reached to transfer 30% of Lidya Madencilik's share to Alacer Gold Madencilik for 150 million USD.