

# **Çalık Holding Anonim Şirketi and its Subsidiaries**

**Condensed Consolidated Interim Financial  
Statements As at and For the Six-Month Period  
Ended 30 June 2023 With Independent Auditor's  
Report on Review of Condensed Consolidated  
Interim Financial Information**

29 December 2023

This report includes 1 pages of independent auditor's report on review of condensed consolidated interim financial information and 54 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 2023 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.

### Other matter

We have expressed an unqualified opinion in our auditor's report dated 29 December 2023 on the consolidated financial statements of the Group for the period of 1/1/2023-30/06/2023, 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").

### 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

29 December 2023  
İstanbul, Turkey

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2023

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

		Reclassified (Note 2.f)	
		Reviewed	Audited
Assets	Notes	30 June 2023	31 December 2022
<b>Current assets</b>			
Cash and cash equivalents	8	885.789	1.043.602
Financial investments	9	1.939.076	1.581.909
Financial assets related to concession agreements	10	67.822	61.989
Trade receivables	11	395.284	387.332
<i>Due from related parties</i>	7	169.443	161.382
<i>Due from third parties</i>		225.841	225.950
Receivables related to finance sector operations	12	922.916	902.290
<i>Due from related parties</i>	7	2.964	7.890
<i>Due from third parties</i>		919.952	894.400
Other receivables		148.353	161.263
<i>Due from related parties</i>	7	58.935	62.721
<i>Due from third parties</i>		89.419	98.543
Contract assets		318.483	275.544
<i>Contract assets arising from ongoing construction and contracting works</i>		318.483	275.544
Inventories	13	303.268	330.945
Derivatives	20	78.746	14.192
Prepayments		130.767	159.455
Current tax assets	23	26.502	22.327
Other current assets		828.151	783.590
<b>Subtotal</b>		<b>6.045.158</b>	<b>5.724.439</b>
Assets held for sale	4	43.141	41.684
<b>Total current assets</b>		<b>6.088.300</b>	<b>5.766.122</b>
<b>Non- current assets</b>			
Trade receivables	11	29.828	32.232
<i>Due from related parties</i>	7	--	1.660
<i>Due from third parties</i>		29.828	30.572
Receivables related to finance sector operations	12	1.493.554	1.498.944
<i>Due from third parties</i>	7	1.493.554	1.498.944
Other receivables		344.025	363.542
<i>Due from related parties</i>	7	320.000	320.000
<i>Due from third parties</i>		24.025	43.542
Financial investments	9	2.412.584	2.465.071
Financial assets related to concession agreements	10	140.718	190.745
Investments in equity-accounted investees	14	246.469	193.569
Investment properties	18	248.937	189.964
Property, plant and equipment	15	210.040	245.794
Intangible assets	16	99.656	131.533
<i>Goodwill</i>		1.004	1.387
<i>Other intangible assets</i>		98.652	130.146
Right of use assets	17	20.519	20.543
Prepayments		24.140	18.965
Deferred tax assets		132.738	174.744
Other non-current assets		285	456
<b>Total non-current assets</b>		<b>5.403.495</b>	<b>5.526.102</b>
<b>Total assets</b>		<b>11.491.794</b>	<b>11.292.225</b>

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 2023 (*continued*)

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

		<i>Reclassified (Note 2.f)</i>	
		<i>Reviewed</i>	<i>Audited</i>
<b>Liabilities</b>	<b>Notes</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Short term liabilities</b>			
Short term loans and borrowings	19	1.075.672	1.160.914
Short term portion of long-term loans and borrowings	19	262.552	196.737
Derivatives	20	41.787	4.907
Trade payables	11	298.760	295.479
<i>Due to related parties</i>	7	2.568	4.631
<i>Due to third parties</i>		296.192	290.848
Payables related to finance sector operations	12	5.129.707	5.108.258
<i>Due to related parties</i>	7	7.587	16.669
<i>Due to third parties</i>		5.122.121	5.091.589
Payables related to employee benefits		14.891	10.212
Other payables		61.219	61.023
<i>Due to related parties</i>	7	8	11
<i>Due to third parties</i>		61.211	61.013
Contract liabilities		372.171	261.683
<i>Contract liabilities arising from ongoing construction and contracting works</i>		372.171	261.683
Deferred revenue		74.299	109.695
Current tax liabilities	23	26.482	38.178
Short term provisions	21	30.207	38.808
<i>Short term employee benefits</i>	21	14.805	18.678
<i>Other short-term provisions</i>	21	15.402	20.131
Other short-term liabilities		88.523	92.728
<b>Subtotal</b>		<b>7.476.269</b>	<b>7.378.623</b>
Liabilities held for sale	4	--	--
<b>Total short-term liabilities</b>		<b>7.476.269</b>	<b>7.378.623</b>
<b>Long term liabilities</b>			
Long term loans and borrowings	19	233.521	415.537
Payables related to finance sector operations	12	858.706	793.781
<i>Due to third parties</i>	7	858.706	793.781
Other payables		33.482	21.162
<i>Due to third parties</i>	7	33.482	21.162
Contract liabilities		77.846	80.869
<i>Contract liabilities arising from ongoing construction and contracting works</i>		77.846	80.869
Deferred revenue		88.055	93.542
Long term provisions	21	27.922	15.803
<i>Long term employee benefits</i>	21	15.870	15.766
<i>Other long-term provisions</i>	21	12.052	37
Deferred tax liabilities		48.647	26.354
Other long-term liabilities		72	--
<b>Total long-term liabilities</b>		<b>1.368.250</b>	<b>1.447.049</b>
<b>Total liabilities</b>		<b>8.844.519</b>	<b>8.825.672</b>

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 2023 (*continued*)

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

		<i>Reclassified (Note 2.f)</i>	
		<i>Reviewed</i>	<i>Audited</i>
<b>Equity</b>	<b>Notes</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Equity attributable to the owners of the Company</b>			
Share capital		210.761	210.761
Adjustment to share capital		3.388	3.388
Other comprehensive income that is or will not be reclassified to profit or loss		(10.071)	(9.187)
<i>Accumulated re-measurements loss of defined benefit plans</i>		<i>(10.071)</i>	<i>(9.187)</i>
Other comprehensive income that is or may be reclassified to profit or loss		(1.403.184)	(1.214.885)
<i>Currency translation differences</i>		<i>(1.326.458)</i>	<i>(1.129.953)</i>
<i>Fair value of debt financial assets at fair value</i>		<i>(76.726)</i>	<i>(84.932)</i>
Restricted reserves		920.133	768.993
Retained earnings		2.368.475	1.679.111
Profit for the year		365.374	840.498
<b>Total equity attributable to the owners of the Company</b>		<b>2.454.876</b>	<b>2.278.679</b>
<b>Total non-controlling interests</b>		<b>192.399</b>	<b>187.874</b>
<b>Total equity</b>		<b>2.647.275</b>	<b>2.466.553</b>
<b>Total equity and liabilities</b>		<b>11.491.794</b>	<b>11.292.225</b>

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 2023

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

		Reviewed	
		Restated (Note 2.f)	
	Notes	1 January- 30 June 2023	1 January- 30 June 2022
<b>PROFIT OR LOSS</b>			
Revenue	24	1.006.282	893.108
Revenue from finance sector operations	24	337.280	297.019
<b>Total revenue</b>	24	<b>1.343.562</b>	<b>1.190.127</b>
Cost of sales (-)	24	(779.619)	(663.260)
Cost of revenue from finance sector operations (-)	24	(130.883)	(108.838)
<b>Total cost</b>	24	<b>(910.502)</b>	<b>(772.098)</b>
<b>Gross profit</b>	24	<b>433.060</b>	<b>418.029</b>
General and administrative expenses		(167.978)	(121.356)
Selling, marketing and distribution expenses		(28.670)	(17.914)
Research and development expenses		(9.785)	(6.352)
Other income from operating activities		98.299	112.568
Other expenses from operating activities		(88.966)	(63.088)
<b>Operating profit</b>		<b>235.960</b>	<b>321.888</b>
Gain from investing activities		234.354	70.587
Loss from investing activities		(30.218)	(59.080)
Share of profit of equity accounted investees	14	31.103	684
<b>Operating profit before finance costs</b>		<b>471.199</b>	<b>334.078</b>
Finance income		40.760	122.885
Finance costs		(62.708)	(58.417)
<b>Net finance costs</b>		<b>(21.948)</b>	<b>64.468</b>
<b>Profit before tax from continuing operations</b>		<b>449.251</b>	<b>398.545</b>
Current tax expense	23	(43.289)	(55.532)
Deferred tax income / (expense)	23	(31.384)	35.628
<b>Total tax expense</b>		<b>(74.673)</b>	<b>(19.904)</b>
<b>Profit from continuing operations</b>		<b>374.578</b>	<b>378.641</b>
<b>Profit for the period</b>		<b>374.578</b>	<b>378.641</b>

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 2023 (*continued*)

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

	<i>Reviewed</i>	
		<i>Restated (Note 2.f)</i>
	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Profit for the period</b>	<b>374.578</b>	<b>378.641</b>
<b>Items that are or may be reclassified to profit or loss</b>		
Foreign currency translation differences for foreign operations and reporting currency translation differences	(183.940)	(267.307)
Change in fair value of debt financial assets at fair value through other comprehensive income	10.908	(150.504)
Deferred tax income / (expense)	(2.727)	37.626
<b>Total</b>	<b>(175.760)</b>	<b>(380.185)</b>
<b>Items that are or will not be reclassified to profit or loss</b>		
Actuarial losses	(1.195)	(205)
Deferred tax expense	299	51
<b>Total</b>	<b>(896)</b>	<b>(154)</b>
<b>Total other comprehensive expense</b>	<b>(176.656)</b>	<b>(380.339)</b>
<b>Total comprehensive income</b>	<b>197.922</b>	<b>(1.698)</b>
<b>Total profit for the period attributable to:</b>		
Owners of the Company	365.374	374.697
Non-controlling interests	9.204	3.944
<b>Net profit for the period</b>	<b>374.578</b>	<b>378.641</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	176.191	(12.956)
Non-controlling interests	21.731	11.257
<b>Total other comprehensive income</b>	<b>197.922</b>	<b>(1.699)</b>

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 2023

(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
<b>Balances at 1 January 2022</b>	<b>210.761</b>	<b>3.388</b>	<b>720.867</b>	--	(5.153)	16.755	(850.861)	1.204.195	523.067	1.823.019	163.347	1.986.366
<b>Total comprehensive income for the period</b>												
Profit for the period	--	--	--	--	--	--	--	--	374.697	374.697	3.944	378.641
<b>Other comprehensive income</b>												
Net fair value change in financial assets available-for-sale	--	--	--	--	--	(112.866)	--	--	--	(112.866)	(12)	(112.878)
Actuarial gains	--	--	--	--	(152)	--	--	--	--	(152)	(2)	(154)
Foreign currency translation differences for foreign operations and reporting currency translation differences	--	--	--	--	--	--	(274.635)	--	--	(274.635)	7.328	(267.307)
<b>Other comprehensive income</b>	--	--	--	--	(152)	(112.866)	(274.635)	--	--	(387.653)	7.314	(380.339)
<b>Total comprehensive income for the period</b>	--	--	--	--	(152)	(112.866)	(274.635)	--	374.697	(12.956)	11.258	(1.698)
<b>Transactions with owners, recorded directly in equity</b>												
Capital increase in subsidiaries	--	--	--	--	--	--	--	--	--	--	1.996	1.996
Sale of subsidiary	--	--	--	--	--	--	(28.608)	6.406	--	(22.202)	(7.156)	(29.358)
Change in controlling in consolidated subsidiaries	--	--	--	--	--	--	--	(377)	--	(377)	84	(293)
Dividends paid	--	--	--	--	--	--	--	--	--	--	(3.929)	(3.929)
Transfers	--	--	45.267	--	--	--	--	477.799	(523.067)	--	--	--
<b>Total transactions with owners</b>	--	--	45.267	--	--	--	(28.608)	483.829	(523.067)	(22.579)	(9.004)	(31.583)
<b>Balances at 30 June 2022</b>	<b>210.761</b>	<b>3.388</b>	<b>766.134</b>	--	(5.304)	(96.112)	(1.154.104)	1.688.024	374.697	1.787.484	165.600	1.953.084

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 2023

(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
<b>Balances at 1 January 2023</b>	<b>210.761</b>	<b>3.388</b>	<b>768.993</b>	--	<b>(9.187)</b>	<b>(84.932)</b>	<b>(1.129.954)</b>	<b>1.679.111</b>	<b>840.498</b>	<b>2.278.679</b>	<b>187.874</b>	<b>2.466.553</b>
<b>Total comprehensive income for the period</b>												
Profit for the period	--	--	--	--	--	--	--	--	365.374	365.374	9.204	374.578
<b>Other comprehensive income</b>												
Net fair value change in financial assets available-for-sale	--	--	--	--	--	8.204	--	--	--	8.204	(24)	8.181
Actuarial gains	--	--	--	--	(883)	--	--	--	--	(883)	(13)	(896)
Foreign currency translation differences for foreign operations and reporting currency translation differences	--	--	--	--	--	--	(196.505)	--	--	(196.505)	12.564	(183.940)
<b>Other comprehensive income</b>	--	--	--	--	<b>(883)</b>	<b>8.204</b>	<b>(196.505)</b>	--	--	<b>(189.183)</b>	<b>12.527</b>	<b>(176.656)</b>
<b>Total comprehensive income for the period</b>	--	--	--	--	<b>(883)</b>	<b>8.204</b>	<b>(196.505)</b>	--	<b>365.374</b>	<b>176.191</b>	<b>21.731</b>	<b>197.922</b>
<b>Transactions with owners, recorded directly in equity</b>												
Capital increase in subsidiaries	--	--	--	--	--	--	--	--	--	--	25	25
Change in controlling in consolidated subsidiaries	--	--	--	--	--	--	--	5	--	5	(13.790)	(13.785)
Dividends paid	--	--	--	--	--	--	--	--	--	--	(3.441)	(3.441)
Transfers	--	--	151.140	--	--	--	--	689.358	(840.498)	--	--	--
<b>Total transactions with owners</b>	--	--	<b>151.140</b>	--	--	--	--	<b>689.363</b>	<b>(840.498)</b>	<b>5</b>	<b>(17.206)</b>	<b>(17.201)</b>
<b>Balances at 30 June 2023</b>	<b>210.761</b>	<b>3.388</b>	<b>920.133</b>	--	<b>(10.071)</b>	<b>(76.727)</b>	<b>(1.326.458)</b>	<b>2.368.475</b>	<b>365.374</b>	<b>2.454.875</b>	<b>192.399</b>	<b>2.647.274</b>

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 2023

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

		<i>Reviewed</i>	
		<i>Restated (Note 2.f)</i>	
	Notes	1 January- 30 June 2023	1 January- 30 June 2022
<b>A. CASH FLOWS FROM OPERATING / (USED IN) ACTIVITIES</b>		<b>609.571</b>	<b>340.585</b>
<b>Profit for the period</b>		<b>374.578</b>	<b>378.640</b>
<b>Adjustments to reconcile cash flow generated from operating activities:</b>		<b>15.495</b>	<b>15.546</b>
Adjustments for depreciation and amortisation	15-16-17	28.536	29.031
Loss/(gain) on sale of derivative financial instruments		(36.563)	1.567
Adjustments for fair value gains/(losses) of financial investments		17.276	22.119
Adjustments for impairment (reversal) of other financial assets or investments		184	27.603
Adjustments for dividends		(4.019)	(36.269)
Adjustments for fair value (gain) / loss of investment property		(50.721)	--
Adjustments for provision for doubtful receivables	11	3.814	2.908
Adjustments for inventory impairment, net		(526)	(17)
Adjustments for provision for long term employee benefits	21	4.674	4.057
Adjustments for provisions (cancellation) reserved for possible risks	12	2.578	14.540
Adjustments for gains(losses) on acquisitions or sale of associates, joint ventures and other financial investments		6.971	3.050
Adjustments for provisions for litigation		(63)	261
Adjustments for other provisions		11.211	2.861
Adjustments for share of (profit)/ loss of equity accounted investees	14	(31.103)	(684)
Adjustments for interest income, expenses and interest rediscount		(99.948)	(99.400)
Deferred financial expenses on forward purchases		(2.952)	339
Unrealized foreign currency loss/(income)		126.936	70.627
Adjustments resulting from business sales		-	-
Adjustments for tax expense	23	74.673	19.904
Adjustments for other items that give rise to cash flows from investing or financing activities		(26.976)	(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		(8.488)	(28.297)
<b>Changes in working capital</b>		<b>118.072</b>	<b>(139.576)</b>
Adjustments for change in inventories		27.994	(71.738)
Adjustments for change in trade receivables		(10.851)	(84.031)
Adjustments for change in payables related to employee benefits		4.678	4.218
Adjustments for change in other receivables, other current assets		(11.962)	6.938
Adjustments for change in contract assets and contract liabilities		64.526	817
Adjustments for change in financial assets related to concession agreements		(33.203)	9.110
Adjustments for change in assets held for sale		(1.458)	20.152
Adjustments for change in liabilities held for sale		-	(739)
Adjustments for change in receivables from finance sector operations		(14.194)	(11.712)
Adjustments for change in payables from finance sector operations		86.375	(84.431)
Change in restricted cash and cash equivalents		11.872	412
Adjustments for change in trade payables		3.280	(25.751)
Adjustments for change in prepayments		23.513	(76.707)
Adjustments for change in deferred income (except liabilities arising from consumer contracts)		(40.884)	97.919
Adjustments for change in other payables and other liabilities related with operating activities		8.385	75.966

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 2023

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

		<i>Reviewed</i>	
		<i>Restated (Note 2.f)</i>	
	Notes	1 January- 30 June 2023	1 January- 30 June 2022
<b>Cash flows from operating activities</b>		<b>101.426</b>	<b>85.974</b>
Employee termination indemnity paid	21	(2.071)	(367)
Other cash inflows (outflows)		773	1.205
Interest received		256.220	219.858
Interest paid		(110.760)	(92.928)
Collection from doubtful receivables	11	581	326
Taxes paid	23	(43.315)	(42.121)
<b>B. CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(502.242)</b>	<b>(418.010)</b>
Proceeds from redemption of financial assets at amortized cost		529.032	120.152
Acquisition of financial assets at amortised costs		(545.790)	(469.442)
Proceeds from sales of financial assets at FVTOCI		46.355	505.512
Acquisition of financial assets at FVTOCI		(331.152)	(607.283)
Proceeds from the sale of investments in financial assets at FVTPL		157.058	491.584
Acquisitions of financial assets at FVTPL		(318.823)	(505.403)
Proceeds from sales of property, plant and equipment and intangible assets		34.199	75.046
Acquisition of property, plant and equipment	15	(32.636)	(57.396)
Acquisition of intangible assets	16	(30.939)	(12.359)
Proceeds from sales of investment property	18	(8.292)	2.767
Formation and capital contribution of share capital of equity accounted investees	14	(397)	(659)
Cash inflows from dividends and other financial instruments		4.019	36.269
Participation by non-controlling shareholders in subsidiaries' capital increases		(13.790)	(293)
Proceeds from / (repayment of) derivative financial instruments		8.889	2.954
Capital increase in non-controlling shares		25	1.996
Other cash outflows	5	-	(1.455)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(253.270)</b>	<b>(240.415)</b>
Proceeds from the funding of related parties		(3)	36.198
Dividend payment		(3.441)	(3.929)
Proceeds from / (repayment of) loans and borrowings, net		(204.315)	(245.155)
Interest paid		(45.511)	(27.530)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(145.941)</b>	<b>(317.841)</b>
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>983.696</b>	<b>1.233.722</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	8	<b>837.755</b>	<b>915.881</b>

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 2023

(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 Condensed Consolidated Interim Financial Statements

### For the Six-Month Period Ended 30 June 2023

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

#### 1 Reporting entity

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

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

As of 30 June 2023, Çalık Holding has 113 (31 December 2022: 111) subsidiaries (“the Subsidiaries”), 10 (31 December 2022: 11) joint ventures (“the Joint Ventures”), and 18 (31 December 2022: 20) 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 2023 comprises Çalık Holding and its subsidiaries and the Group’s interest in associates and joint ventures.

As at 30 June 2023, the number of employees of the Group is 14.466 (31 December 2022: 12.813).

As explained in more detail in Note 6, as at 30 June 2023 the Group operates mainly under six segments:

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

As 30 June 2023, the new addition to the group as follows:

Company Name	Type of partnership	Country	Sector
Agata Trading S.R.L.	Subsidiary	Italy	Energy
Çe Yenilenebilir Enerji Limited Şirketi	Subsidiary	Türkiye	Energy
E-Kent Europe GMBH	Subsidiary	Germany	Banking and Finance
UPTION Europe GmbH	Subsidiary	Germany	Banking and Finance

#### **Agata Trading S.R.L.(“Agata Trading”)**

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

#### **Çe Yenilenebilir Enerji Limited Şirketi (“Çe Yenilenebilir”)**

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

#### **UPTION Europe GmbH**

Within the scope of the projection of expanding its field of activity and business volume, UPT established the subsidiary titled UPTION Europe GmbH, of which it is a 100% shareholder, in Germany on March 8, 2023, with a capital of TL 497.653, equivalent to EUR 25.000.

#### **E-Kent Europe GMBH**

Within the scope of the projection of expanding its field of activity and business volume, E-Kent established the subsidiary titled E-Kent Europe GmbH, of which it is a 100% shareholder, in Germany on February 20, 2023, with a capital of TL 501.498, equivalent to EUR 25.000.

# 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 2023

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

#### 1 Reporting entity (continued)

As 30 June 2023, the direct and effective ownership interests of the Group's Subsidiaries, Joint Ventures and Subsidiaries are as follows:

#### Entities in Energy Segment

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

(\*) Çalık Georgia LLC, ÇL Enerji Üretim ve İnşaat A.Ş., Saudi Jalik Energy Company, Workindo Teknoloji ve İnsan Kaynakları Danışmanlık A.Ş., Jasper Trading, DTM Enerji Yatırımları Adi Ortaklığı, PKN Enerji Hizmetleri Adi Ortaklığı, Çalık Enerji Japan G.K., Eurokos D.d L.L.C., Çalık Albania Wind Sh.P.K./Llc, Ce Solar Dooel Skopje subsidiaries of the Group, are not consolidated due to the insignificance of their financial impact on the consolidated financial statements as at and for the period ended 30 June 2023.

(\*\*) Established in 2023.

# 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 2023

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

#### 1 Reporting entity (continued)

##### 1.2 Entities in construction segment

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

##### 1.3 Entities in textile segment

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

##### 1.4 Entities in marketing segment

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



# 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 2023

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

### 1 Reporting entity (continued)

#### 1.5 Entities in banking and finance segment

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

(\*) The company was established in 2023.

(\*\*) 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 2023

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

#### 1 Reporting entity (continued)

##### 1.6 Entities in mining segments

Company name	Types of partnership	Country
Bakırtepe Madencilik ve Sanayi ve Ticaret Anonim Şirketi	Joint ventures	Türkiye
Kartaltepe Madencilik Sanayi ve Ticaret Anonim Şirketi	Joint ventures	Türkiye
Lidya Eurasia	Subsidiary	Uzbekistan
Lidya Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Türkiye
Lidya Mali SA	Subsidiary	Mali
Lor Dafrique Sarlu	Subsidiary	Gine
Polimetal Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Türkiye
Tunçpınar Madencilik Sanayi ve Ticaret Anonim Şirketi	Subsidiary	Türkiye

##### 1.7 Entities in other segments

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

#### 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 2023 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 2023 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2022. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022. 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.

## 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 2023

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

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

##### **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:

##### **b) Basis of Measurements (continued)**

- 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.

##### **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 Türkiye 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 2023, 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 = 25,8231 TL (31 December 2022: 1 USD = 18,6983 TL).

Profit or loss and other comprehensive income statements for the period ended 30 June 2023 have been converted to TL with an annual average of 1 USD = 19,8612 TL (31 December 2022: 1 USD = 16,5659 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.

# 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 2023

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

### 2 Basis of preparation (continued)

#### 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.

#### 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

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

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

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

## 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 2023

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

## 2 Basis of operation (continued)

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

30.06.2022			
	Previously Reported	Restated	Adjustments
Cost of sales (-)	(662.357)	(663.260)	(903)
Deferred tax income / (expense)	35.447	35.628	181
30.06.2022			
	Previously Reported	Restated	Adjustments
A. Cash flows from operating activities	590.111	578.676	(11.435)
B. Cash Flows Used In Investing Activities	(429.452)	(418.010)	11.442
C. Cash flows from Financing Activities	(240.409)	(240.415)	(6)

Çalık Holding purchased 80 percent of Çalık Petrol Arama Üretim Sanayi ve Ticaret A.Ş. on December 31, 2021 and provisionally accounted for it in the consolidated financial statements of Çalık Holding on December 31, 2021, using the acquisition method in accordance with TFRS 3 Business Combinations Standard. As a result of the distribution of the purchase price and the reduction of the purchase price on 31 December 2022, the net assets of the Company were recalculated and recorded as a final result.

### g) The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of June 30, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Company / the Group's financial position and performance have been disclosed in the related paragraphs.

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

##### Amendments to TAS 8 – Definition of Accounting Estimates

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

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

# 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 2023

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

#### 2 Basis of preparation (continued)

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

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

##### **Amendments to TAS 1 - Disclosure of Accounting Policies**

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

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

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

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

The 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.

## **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 2023**

*(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**

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

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

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

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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

## 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 2023

(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 TFRS 16 - Lease Liability in a Sale and Leaseback

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

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

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

The following amendments to IAS 12 as well as IAS 7 and IFRS 7 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

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

In May 2023, IASB issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws.

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



# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to the Interim Condensed Consolidated Interim Financial Statements

### As at and for the Six-Month Period Ended 30 June 2023

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

## 2 Basis of preparation (continued)

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

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

##### Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued in May 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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

## 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 2023

#### Kentsel Dönüşüm İnşaat A.Ş.

Based on the decision of the Extraordinary General Assembly of the relevant Company on April 18, 2023, Kentsel Dönüşüm İnşaat A.Ş. merged with Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi.

### 3.2 Share changes that cause a change in control in 2023

#### Artmin Madencilik Sanayi Ve Ticaret A.Ş.

Artmin Madencilik Sanayi ve Ticaret A.Ş. (formerly AMG Mineral Mining Joint Stock Company) was established in Ankara in 2011 in order to obtain exploration and operation licenses for all kinds of mines, to purchase and sell all kinds of mine sites, to operate mine sites and to participate in mining tenders. Artmin Madencilik started to be controlled by the Group in 2015 and the ownership rate is 60%.

On May 8, 2023, Alacer Gold Corporation and the Company reached an agreement to acquire an up to 40% interest from the Company in, and operational control of, the Hod Maden gold-copper development project, located in northeastern Türkiye (the "Transaction"). As of June 30, 2023, upon closing of the Transaction, Alacer Gold Corporation made a MUSD 120 cash payment to the Company to acquire a 10% interest in Artmin. Alacer Gold Corporation has the option to acquire an additional 30% interest in Artmin from the Company for MUSD 120 in structured payments tied to the completion of project construction spending milestones. Additionally, Alacer Gold Corporation will make contingent payments to the Company including MUSD 30 in milestone payments payable in accordance with an agreed upon schedule beginning at the start of construction and ending on the first anniversary of commercial production and MUSD 84 payable upon the delineation of an additional 500,000 gold equivalent ounces of mineral reserves at the Hod Maden project in excess of the project's current mineral reserves and mineral resources. The Company has changed its consolidation method from full consolidation to equity method since the Company has lost control after sale of 10% of the shares.

## 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 2023

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

### 3 Acquisitions and disposals of subsidiaries and non-controlling interests (continued)

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

*Polimetal Mineral Madencilik Sanayi ve Ticaret Anonim Şirketi*

Lidya Madencilik Sanayi ve Ticaret A.Ş., based on the 31 December 2022 balance sheets with the facilitated merger method in December 2022 merged in.

*Oniki Teknoloji A.Ş.*

E-post Elektronik Perakende Otomasyon Satış Ticaret A.Ş. on 13 May 2022, based on the simplified merger method and 30 June 2022 balance sheets merged in.

#### 3.4 Share changes that cause a change in control in 2022

*Anateks Anadolu Tekstil Fabrikaları A.Ş.*

Anateks Anadolu Tekstil Fabrikaları A.Ş. was transferred to Gap Pazarlama A.Ş. on 1 December 2022.

*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.

### 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 2023, assets and liabilities including those of discontinued operations are USD 43.141 and there are no liabilities related to groups held for sale. (31 December 2022: USD 41.684 and USD --), respectively, and details are as follows:

Assets held for sale	30 June 2023	31 December 2022
Property, plant and equipment (*)	43.141	41.684
<b>Total</b>	<b>43.141</b>	<b>41.684</b>

(\*) Real estate held for sale in return for trade receivables in the marketing sector amounting to USD 1.044 (31 December 2022: USD 1.044) in tangible assets, and real estates amounting to USD 42.097 (December 31, 2022: USD 40.640) acquired as a result of the legal follow-up of the loans and receivables, which are in the nature of loss in the banking sector. As of 31 December 2022, there are no assets and liabilities held for sale in the textile industry (31 December 2022: None).

## 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 2023

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

#### 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 Albtelecom, which constitutes 80,27% of the entire share capital of the Company. 80.27% of Cetel Telekom's shares were transferred to 4iG, with the closing date on March 4, 2022, within the scope of the agreement between CETEL TELEKOM İLETİŞİM SANAYİ VE TİCARET ANONİM ŞİRKETİ as Seller, 4iG as Buyer and ÇALIK HOLDİNG ANONİM ŞİRKETİ as Guarantor.

	28 February 2022
Transferred price	--
Cash and cash equivalents of the subsidiary sold	(1.539)
<b>Cash outflows related to sales</b>	<b>(1.539)</b>

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 (*)
<b>Current assets</b>	
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
<b>Non- current assets</b>	--
Other receivables	176
Property, plant and equipment	167.584
Right of use assets	23.721
Intangible assets	17.925
<b>Total assets</b>	<b>224.969</b>
<b>Short term liabilities</b>	
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
<b>Long term liabilities</b>	--
Long term loans and borrowings	104.803
Other payables	34.685
Deferred revenue	2.179
Long term provisions	905
Deferred tax liabilities	5.723
<b>Total liabilities</b>	<b>190.686</b>
<b>Total identifiable net assets/liabilities</b>	<b>34.283</b>
<b>Translation difference</b>	<b>(30.484)</b>
<b>Total identifiable net assets/liabilities</b>	<b>3.799</b>
<b>Sales price</b>	--
<b>Total sales loss</b>	<b>3.799</b>
<b>Ownership rate</b>	<b>80,27%</b>
<b>Total sales loss reflected in the profit and loss statement</b>	<b>3.049</b>

(\*) Since the share transfer of Albtelecom took place on 4 March 2022 and the income statement amount for the 28 February-4 March 2022 period is insignificant, the income statement dated 28 February 2022 has been consolidated.

# 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 2023

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

#### 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.

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 Türkiye 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, stone 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 2023.

## Çalık Holding Anonim Şirketi and its Subsidiaries

### Notes to Condensed Consolidated Interim Financial Statements

#### For the Six-Month Period Ended 30 June 2023

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

#### 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 2023									
	Energy	Construction	Textile	Marketing	Mining	Banking and Finance	Other	Elimination	Total
Revenue	730.255	115.799	71.054	31.000	22.895	394.229	32.088	(53.758)	1.343.562
Gross profit	154.277	28.471	8.426	4.837	(913)	227.470	27.948	(17.456)	433.060
Other income/(expenses), net	(66.291)	(12.612)	288	(5.977)	(19.274)	(48.321)	(61.174)	16.261	(197.100)
<b>Results from operating activities</b>	<b>87.986</b>	<b>15.859</b>	<b>8.714</b>	<b>(1.140)</b>	<b>(20.187)</b>	<b>179.149</b>	<b>(33.226)</b>	<b>(1.195)</b>	<b>235.960</b>
Gains /(loss) from investing activities	40.377	3.595	244	31	128.425	28.962	185.503	(183.001)	204.136
Share of profit/(loss) of equity accounted investees	32.779	--	124	--	(1.871)	194	--	(123)	31.103
Interest expense	(9.624)	(11.852)	(9.574)	(1.599)	(1.447)	319	(10.061)	(1.673)	(45.511)
Finance income/(expenses), net	7.568	29.195	(20.039)	6.060	(427)	(3.549)	4.983	(228)	23.563
<b>Consolidated income/(loss) before tax</b>	<b>159.086</b>	<b>36.797</b>	<b>(20.531)</b>	<b>3.352</b>	<b>104.493</b>	<b>205.075</b>	<b>147.199</b>	<b>(186.220)</b>	<b>449.251</b>
Tax benefit/(expense)	557	(1.831)	(2.398)	(88)	(25.362)	(40.242)	(1.843)	(3.466)	(74.673)
<b>Net profit/(loss) for the period</b>	<b>159.643</b>	<b>34.966</b>	<b>(22.929)</b>	<b>3.264</b>	<b>79.131</b>	<b>164.833</b>	<b>145.356</b>	<b>(189.686)</b>	<b>374.578</b>

	Energy	Construction	Textile	Marketing	Mining	Banking and Finance	Other	Elimination	Total
Segment assets	1.735.548	955.876	192.446	115.238	560.673	8.132.058	1.142.099	(1.342.144)	11.491.794
Segment liabilities	(863.999)	(596.701)	(152.842)	(42.975)	(78.779)	(7.292.938)	(181.609)	365.324	(8.844.519)
Tangible and intangible asset investments	17.808	101	1.419	132	13.659	24.296	6.162	--	63.576
Depreciation and amortization <sup>(*)</sup>	(5.685)	(2.272)	(2.598)	(1.093)	(5.408)	(7.432)	(726)	(1.145)	(26.359)

<sup>(\*)</sup> Additions and depreciation related to right of use assets are not included.

## 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 2023

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

#### 6 Operating segments (continued)

Reviewed									
30 June 2022									
	Energy	Construction	Textile	Marketing	Mining	Banking and Finance	Other	Elimination	Total
Revenue	570.798	78.261	129.318	48.616	24.038	350.885	40.821	(52.610)	1.190.127
Gross profit	119.162	12.379	42.745	9.361	16.295	221.625	17.126	(20.664)	418.029
Other income/(expenses), net	(50.218)	(10.269)	(674)	(7.683)	(4.148)	(14.844)	(22.656)	14.350	(96.142)
<b>Results from operating activities</b>	<b>68.944</b>	<b>2.110</b>	<b>42.071</b>	<b>1.678</b>	<b>12.147</b>	<b>206.781</b>	<b>(5.530)</b>	<b>(6.313)</b>	<b>321.888</b>
Gains /(loss) from investing activities	2.013	16.769	9	--	(17.708)	(10.059)	125.029	(104.545)	11.506
Share of profit/(loss) of equity accounted investees	1.721	--	4.212	--	(321)	(717)	--	(4.212)	684
Interest expense	(5.189)	(9.897)	(11.550)	(2.808)	(1.325)	(153)	(12.270)	15.662	(27.530)
Finance income/(expenses), net	1.283	33.016	(11.641)	4.815	54.563	(3.528)	14.752	(1.263)	91.997
<b>Consolidated income/(loss) before tax</b>	<b>68.772</b>	<b>41.998</b>	<b>23.101</b>	<b>3.685</b>	<b>47.356</b>	<b>192.324</b>	<b>121.981</b>	<b>(100.672)</b>	<b>398.545</b>
Tax benefit/(expense)	(11.681)	4.260	29.194	(254)	1.265	(36.617)	(2.905)	(3.166)	(19.904)
<b>Net profit/(loss) for the period</b>	<b>57.091</b>	<b>46.258</b>	<b>52.295</b>	<b>3.431</b>	<b>48.621</b>	<b>155.707</b>	<b>119.076</b>	<b>(103.838)</b>	<b>378.641</b>

  

	Energy	Construction	Textile	Marketing	Mining	Banking and Finance	Other	Elimination	Total
Segment assets	1.306.587	928.899	281.599	110.082	347.928	7.414.486	1.114.923	(1.303.811)	10.200.695
Segment liabilities	(737.153)	(640.206)	(195.722)	(51.524)	(58.495)	(6.661.791)	(287.541)	384.820	(8.247.611)
Tangible and intangible asset investments	42.457	1.146	1.428	194	5.183	9.131	2.641	--	62.178
Depreciation and amortization <sup>(*)</sup>	(6.310)	(2.232)	(2.904)	(71)	(4.698)	(6.438)	(3.134)	(932)	(26.718)

<sup>(\*)</sup> Additions and depreciation related to right of use assets are not included.

# Çalık Holding Anonim Şirketi and its Subsidiaries

## Notes to Condensed Consolidated Interim Financial Statements

### For the Six-Month Period Ended 30 June 2023

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

#### 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 2023 and 31 December 2022, the Group had the following balances outstanding from its related parties:

30 June 2023					
	Shareholders	Associates	Joint ventures	Other	Total
Other receivables (*)	366.022	35	12.869	9	378.935
Trade receivables	--	21.217	310	147.916	169.443
Financial Investments	--	130.505	--	--	130.505
Receivables related to financial sector operations	--	--	--	2.964	2.964
Prepaid expenses	--	--	--	7	7
Other payables	--	--	--	(8)	(8)
Trade payables	--	(93)	(56)	(2.419)	(2.568)
Payables related to finance sector operations	(77)	(659)	(1.162)	(5.689)	(7.587)
Borrowings	--	(130.534)	--	(890)	(131.424)
<b>Total</b>	<b>365.945</b>	<b>20.471</b>	<b>11.961</b>	<b>141.890</b>	<b>540.267</b>

  

31 December 2022					
	Shareholders	Associates	Joint ventures	Other	Total
Other receivables (*)	378.631	48	2.351	1.691	382.721
Trade receivables	--	32.732	442	129.868	163.042
Financial Investments	--	135.294	--	--	135.294
Receivables related to financial sector operations	--	--	--	7.890	7.890
Other payables	--	--	--	(11)	(11)
Trade payables	--	247	(30)	(4.848)	(4.631)
Payables related to finance sector operations	(281)	(319)	(3.693)	(12.376)	(16.669)
Borrowings	(27)	(135.294)	--	(1.058)	(136.379)
<b>Total</b>	<b>378.323</b>	<b>32.708</b>	<b>(930)</b>	<b>121.156</b>	<b>531.257</b>

(\*) As of 30 June 2023, USD 320.000 of the other receivables from the partners (31 December 2022: USD 320.000) consists of the receivables of GAP İnşaat Dubai FZE from Delta Netherlands B.V.

No impairment losses have been recognised against balances outstanding as at 30 June 2023 (31 December 2022: None) and no specific allowance has been made for impairment losses on balances with the related parties.

## 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 2023

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

## 7 Related party balances (continued)

### Related party transactions

For the six-month periods ended 30 June 2023 and 2022, the revenues earned and expenses incurred by the Group in relation to transactions with its related parties were as summarised below:

2023					
	Shareholders	Associates	Joint ventures	Other	Total
Revenue	53	3.194	2.022	415	5.684
Cost of sales	(9)	(1.302)	(2.051)	(3.704)	(7.066)
General and administrative expenses	--	(2)	(105)	(193)	(300)
Selling, marketing and distribution expenses	--	--	--	(166)	(166)
Income from investment activities (*)	--	375	3.644	125.521	129.540
Income / (expense) from other operations	(27)	272	--	(2)	243
Income/(expense) from financing activities	1.249	(653)	(1)	14	609
<b>Total</b>	<b>1.266</b>	<b>1.884</b>	<b>3.509</b>	<b>121.885</b>	<b>128.544</b>

2022					
	Shareholders	Associates	Joint ventures	Other	Total
Revenue	--	15.951	2.879	6.803	25.633
Cost of sales	(13)	(8.415)	(430)	(461)	(9.319)
General and administrative expenses	--	--	(4)	(244)	(248)
Selling, marketing and distribution expenses	--	--	--	(846)	(846)
Income from investment activities	--	27.714	4.802	--	32.516
Income / (expense) from other operations	--	53	166	(11)	208
Income/(expense) from financing activities	22	(1.949)	154	0	(1.773)
<b>Total</b>	<b>9</b>	<b>33.354</b>	<b>7.567</b>	<b>5.241</b>	<b>46.171</b>

(\*) As of June 30, 2023, 124.669 USD of the income from investment activities consists of the sales amount of 10% shares of Artmin Madencilik San ve Tic AŞ.

### 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 2023 amounted to USD 24.201 (30 June 2022: USD 13.662).

## 8 Cash and cash equivalents

At 30 June 2023 and 31 December 2022, cash and cash equivalents comprised the following:

30 June 2023	Finance (*)	Non-finance (**)	Total
Cash on hand	94.727	450	95.177
Cash at banks	446.226	152.386	598.612
-Demand deposits	211.082	82.204	293.286
-Time deposits	235.144	70.182	305.326
Balances at central bank (excluding statutory reserve)	45.964	--	45.964
Other cash and cash equivalents (***)	104.794	41.242	146.036
<b>Cash and cash equivalents</b>	<b>691.711</b>	<b>194.078</b>	<b>885.789</b>
Restricted amounts	(35.498)	(12.536)	(48.034)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>656.213</b>	<b>181.542</b>	<b>837.755</b>



## 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 2023

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

## 8 Cash and cash equivalents (continued)

31 December 2022	Finance (*)	Non-finance (**)	Total
Cash on hand	95.992	384	96.376
Cash at banks	675.486	115.481	790.967
-Demand deposits	352.762	57.922	410.684
-Time deposits	322.724	57.559	380.283
Balances at central bank (excluding statutory reserve)	80.188	--	80.188
Other cash and cash equivalents (***)	59.815	16.256	76.071
<b>Cash and cash equivalents</b>	<b>911.481</b>	<b>132.121</b>	<b>1.043.602</b>
Restricted amounts	-45.818	-14.088	-59.906
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>865.663</b>	<b>118.033</b>	<b>983.696</b>

(\*) 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 2023, other cash and cash equivalents mainly consist of liquid funds to USD 427 (31 December 2022: USD 16.154), credit card receivables amounting to USD 1.715 (31 December 2022: USD 572), money in transit amounting to USD 40.682 (31 December 2022: USD 119) and other cash and cash equivalents USD 310 (31 December 2022: USD 388). As of 30 June 2023, repo transactions is USD 102.902 (31 December 2022: 58.828)

As of 30 June 2023, the Group's cash and cash equivalents amounting to USD 48.034 (31 December 2022: USD 59.906) are blocked and therefore this balance cannot be used in daily activities.

Mandatory restricted account amount resulting from the Group's banking activities in Albania and Türkiye is USD 35.499 (31 December 2022: USD 45.818). As collateral for the loans used, USD 403 (31 December 2022: USD 6.155) is kept mandatory in domestic banks, and USD 1.462 (31 December 2022: USD 7) is kept blocked by the court based on expropriation lawsuits. USD 6.972 of the remaining amount (31 December 2022: USD 2.811) is kept as a cash guarantee given to Istanbul Takas ve Saklama Bankasi Anonim Şirketi for the electricity purchased from EPIAŞ. Based on the relevant contracts for engineering services, procurement transactions and construction project ("MTI"), the balance in banks in Türkiye is USD 3.699 (31 December 2022: USD 5.114).

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

## 9 Financial investments

At 30 June 2023 and 31 December 2022, financial investments comprised the following:

	30 June 2023		
	Current	Non-current	Total
Financial assets at FVTOCI	908.264	1.476.669	2.384.933
Financial assets at FVTPL (*)	330.598	413.774	744.372
Financial assets at amortised costs	700.214	522.141	1.222.355
<b>Total</b>	<b>1.939.076</b>	<b>2.412.584</b>	<b>4.351.660</b>

# 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 2023

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

#### 9 Financial investments (continued)

	31 December 2022		
	Current	Non-current	Total
Financial assets at FVTOCI	1.065.850	1.392.333	2.458.183
Financial assets at FVTPL (*)	264.979	414.753	679.732
Financial assets at amortised costs	251.080	657.985	909.065
<b>Total</b>	<b>1.581.909</b>	<b>2.465.071</b>	<b>4.046.980</b>

(\*) As at 30 June 2023 and 2022, equity securities in Anagold Madencilik Sanayi ve Ticaret Anonim Şirketi which is classified as equity securities at fair value through profit or loss were valued for the consolidated financial statements. These investments are valued periodically by an independent valuation firm by using discounted cash flow method. As at 30 June 2023, an increase in fair value for this investment amounting to USD 2.242 (31 December 2022 USD 10.745) has been recognised under "Gain from investing activities" in profit or loss due to valuation of equity securities at fair value through profit or loss after in the tax effect.

As at 30 June 2023 and 31 December 2022 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 2023	31 December 2022
	Carrying amount	Carrying Amount
<b>Financial investments of finance sector companies' entities</b>		
Public sector bonds, notes and bills	1.901.071	2.021.342
Private sector bonds, notes and bills	623.533	582.316
Asset backed securities and lease certificates	241.015	138.594
Investment funds	45.576	63.867
Equity securities – listed	28.807	50.193
Other	41.613	44.912
<b>Equity securities – non-listed</b>		
Anagold Madencilik Sanayi ve Ticaret Anonim Şirketi	238.000	226.800
Bursagaz Bursa Şehiriçi		
Doğal Gaz Dağıtım Ticaret ve Taahhüt Anonim Şirketi	5.262	5.263
Kayserigaz Kayseri Doğalgaz		
Dağıtım Pazarlama Ticaret Anonim Şirketi	4.428	4.428
Other	--	200
<b>Total</b>	<b>3.129.305</b>	<b>3.137.915</b>

As at 30 June 2023 financial assets at amortised costs and as at 31 December 2022 financial assets at amortised costs comprised the following:

	30 June 2023	31 December 2022
	Carrying Amount	Carrying amount
Public sector bonds, notes and bills	713.376	390.614
Private sector bonds, notes and bills	426.994	444.094
Asset backed securities and lease certificates	59.328	68.858
Other(*)	22.657	5.499
<b>Total</b>	<b>1.222.355</b>	<b>909.065</b>

## 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 2023

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

#### 10 Financial assets related to concession agreements

As at 30 June 2023 and 31 December 2022, financial assets related to concession agreements comprised the following:

	30 June 2023	31 December 2022
Current financial assets related to concession agreements	67.822	61.989
Non-current financial assets related to concession agreements	140.718	190.745
<b>Total</b>	<b>208.540</b>	<b>252.734</b>

Movements of financial assets related to concession agreements for the six months period ended 30 June 2023 and 2022 were as follows:

	30 June 2023	30 June 2022
<b>Financial asset at the beginning of the period</b>	<b>252.734</b>	<b>173.480</b>
Investments during the year	27.418	8.046
<b>Collections</b>	<b>(44.090)</b>	<b>(38.155)</b>
Principal collections	(27.493)	(24.183)
Financial income collections	(16.597)	(13.972)
Financial income	49.875	20.999
Foreign currency translation differences	(77.397)	(33.708)
<b>Financial asset at the end of period</b>	<b>208.540</b>	<b>130.662</b>

As at 30 June 2023 and 31 December 2022, the maturity breakdown of the financial assets related to concession agreements:

	30 June 2023	31 December 2022
Up to 1 year	67.822	61.989
Up to 1 - 3 years	66.268	92.144
Up to 3 - 5 years	44.892	21.258
Over 5 years	29.558	77.343
<b>Total</b>	<b>208.540</b>	<b>252.734</b>

## 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 2023

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

## 11 Trade receivables and payables

### Trade receivables

#### Short-term trade receivables

As at 30 June 2023 and 31 December 2022, short-term trade receivables comprised the following:

	30 June 2023	31 December 2022
Due from related parties	169.443	161.382
Due from third parties	225.841	225.950
<b>Total</b>	<b>395.284</b>	<b>387.332</b>

As at 30 June 2023 and 31 December 2022, short-term trade receivables comprised the following:

	30 June 2023	31 December 2022
Accounts receivables	382.094	359.923
Doubtful receivables	28.498	29.124
Notes receivables (*)	10.568	25.016
Postdated cheques received	2.246	1.969
Other trade receivables	460	515
<b>Subtotal</b>	<b>423.866</b>	<b>416.546</b>
Allowances for doubtful trade receivables (-)	(28.498)	(29.124)
Discount on trade receivables (-)	(84)	(90)
<b>Total</b>	<b>395.284</b>	<b>387.332</b>

(\*) As of 30 June 2023, USD 8.923 of notes receivable belongs to Çalık Denim (31 December 2022: USD 21.019), USD 1.581 belongs to Gap İnşaat (31 December 2022: USD 2.082) and USD 64 consists of bills purchased within the scope of Gap Pazarlama's commercial activities (31 December 2022: USD 1.915).

#### Long-term trade receivables

As at 30 June 2023 and 31 December 2022, long-term trade receivables comprised the following:

	30 June 2023	31 December 2022
Due from related parties	--	1.660
Due from third parties	29.828	30.572
<b>Total</b>	<b>29.828</b>	<b>32.232</b>

As at 30 June 2023 and 31 December 2022, long-term trade receivables comprised the following:

	30 June 2023	31 December 2022
Accounts receivables	29.828	32.232
<b>Total</b>	<b>29.828</b>	<b>32.232</b>

## 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 2023

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

#### 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 2023 and 2022 were as follows:

	2023	2022
<b>Balance at 1 January</b>	<b>29.124</b>	<b>54.216</b>
Allowance for the period	6.509	3.889
Recoveries of amounts impaired previous years (-)	(581)	(326)
Canceled allowance for the period (-)	(2.695)	(980)
Foreign currency translation differences	6.401	2.809
Disposals from the scope of consolidation	(10.260)	(28.475)
<b>Balance at 30 June</b>	<b>28.498</b>	<b>31.133</b>

##### Trade payables

##### Short-term trade payables

As at 30 June 2023 and 31 December 2022, short-term trade payables comprised the following:

	30 June 2023	31 December 2022
Due from related parties	2.568	4.631
Due from third parties	296.192	290.848
<b>Total</b>	<b>298.760</b>	<b>295.479</b>

	30 June 2023	31 December 2022
Accounts payables (*)	296.818	293.491
Notes payable	124	171
Other trade payables	1.818	1.817
<b>Total</b>	<b>298.760</b>	<b>295.479</b>

(\*) 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.

## 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 2023

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

## 12 Receivables and payables from finance sector activities

### Short term receivables from finance sector activities

As at 30 June 2023 and 31 December 2022, current receivables related to finance sector activities comprised the following:

Short term receivables related to finance sector activities	30 June 2023	31 December 2022
Due from third parties	2.964	7.890
Due from related parties	919.952	894.400
<b>Total</b>	<b>922.916</b>	<b>902.290</b>

Short term receivables related to finance sector activities	30 June 2023	31 December 2022
Loans and receivables from customers	841.296	789.219
Loans and receivables from banks	82.086	112.678
Non-performing loans and receivables	16.677	23.041
<b>Subtotal</b>	<b>940.059</b>	<b>924.938</b>
Provision for impairment in value of loans and receivables	(17.143)	(22.648)
<b>Total</b>	<b>922.916</b>	<b>902.290</b>

As at 30 June 2023 and 31 December 2022, long term receivables related to finance sector activities comprised the following:

Long Term Receivables related to finance sector activities	30 June 2023	31 December 2022
Due from third parties	1.493.554	1.498.944
<b>Total</b>	<b>1.493.554</b>	<b>1.498.944</b>

Long Term Receivables related to finance sector activities	30 June 2023	31 December 2022
Loans and receivables from customers	1.549.087	1.571.035
Loans and receivables from banks	52.693	33.217
<b>Subtotal</b>	<b>1.601.780</b>	<b>1.604.252</b>
Provision for impairment in value of loans and receivables	(108.226)	(105.308)
<b>Total</b>	<b>1.493.554</b>	<b>1.498.944</b>

For the six-month period ended on 30 June 2023, impairment losses for loans and receivables was USD 773, whereas the reversal and recovery of the provision for impairment in value of loans and receivables of the amount was USD 2.578. (30 June 2022: impairment expense for loans and receivables and reversal and recovery of the provision for impairment in value of loans and receivables amounting to USD 1.205 and USD 14.540, respectively).

### Short term payables related to finance sector activities

As at 30 June 2023 and 31 December 2022, short term payables related to finance sector activities comprised the following:

Short term payables related to finance sector activities	30 June 2023	31 December 2022
Due from related parties	7.587	16.669
Due from third parties	5.122.121	5.091.589
<b>Total</b>	<b>5.129.707</b>	<b>5.108.258</b>

## 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 2023

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

## 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 2023	31 December 2022
<b>Due to banks</b>	<b>71.914</b>	<b>62.931</b>
Time deposits	62.449	55.063
Current accounts	9.465	7.868
<b>Due to customers</b>	<b>4.015.997</b>	<b>3.797.666</b>
Individual	3.016.921	2.789.867
Private enterprises	812.222	763.558
Public institutions	135.411	144.363
Other	51.443	99.878
<b>Funds and payment accounts (*)</b>	<b>662.294</b>	<b>568.885</b>
<b>Funds from repo transactions</b>	<b>379.502</b>	<b>678.776</b>
<b>Total</b>	<b>5.129.707</b>	<b>5.108.258</b>

(\*) The customer accounts represent the transitory balances of loan customers for the respective transactions. As at 30 June 2023, this account does not include any deposit amount (31 December 2022: None).

### Long term payables related to finance sector activities

As at 30 June 2023 and 31 December 2022, long term payables related to finance sector activities comprised the following:

Long term payables related to finance sector activities	30 June 2023	31 December 2022
Payables from finance sector activities to third parties	858.706	793.781
<b>Total</b>	<b>858.706</b>	<b>793.781</b>

Long term payables related to finance sector activities	30 June 2023	31 December 2022
<b>Due to banks</b>	<b>6</b>	<b>10</b>
Time deposits	6	10
<b>Due to customers</b>	<b>858.700</b>	<b>793.771</b>
Individual	774.499	713.755
Private enterprises	59.893	60.047
Public institutions	24.302	19.962
Other	6	7
<b>Total</b>	<b>858.706</b>	<b>793.781</b>

## 13 Inventories

As at 30 June, the Group wrote down provision for impairment about its inventory is amounting to USD 2.619 (30 June 2022: USD 2.332).

# 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 2023

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

#### 14 Investments in equity-accounted investees

##### i) Joint ventures

For the six-month periods ended 30 June 2023 and 2022, the movements in investments in joint ventures were as follows:

	2023	2022
<b>Balance at 1 January</b>	<b>186.162</b>	<b>168.785</b>
Share of profit of equity accounted investees	30.905	1.400
Change in share of associates	26.976	(15)
Currency translation difference	(4.474)	(2.392)
<b>Balance at 30 June</b>	<b>239.569</b>	<b>167.778</b>

##### ii) Associates

For the six-month periods ended 30 June 2023 and 2022, the movements in investments in associates were as follows:

	2023	2022
<b>Balance at 1 January</b>	<b>7.406</b>	<b>8.832</b>
Capital contribution to share capital increase in associates	397	915
Share of loss of equity-accounted investees	198	136
Capital contribution to share capital decrease in associates	--	(840)
Currency translation difference	(1.101)	(731)
<b>Balance at 30 June</b>	<b>6.900</b>	<b>8.312</b>

#### 15 Property, plant and equipment

For the six-month periods ended 30 June 2023 and 2022, movements in the property, plant and equipment were as follows:

	30 June 2023	30 June 2022
<b>Balance at 1 January (previously reported)</b>	<b>390.848</b>	<b>460.790</b>
Reclassified effect (Note 2.f)	(145.054)	(41.014)
<b>Net carrying value at 1 January</b>	<b>245.794</b>	<b>419.776</b>
Additions (+)	32.636	57.396
Disposals (-)	(25.681)	(46.511)
Adjustments	--	10.711
Disposals from the scope of consolidation (*) (Note 2, Note 5)	(6.971)	(158.419)
Currency translation difference	(18.614)	(38.136)
Transfers	(534)	(185)
Additions through acquisitions	--	7.970
Depreciation for the period (-)	(16.591)	(19.130)
<b>Net carrying value at 30 June</b>	<b>210.040</b>	<b>233.472</b>

(\*) On May 8, 2023, Alacer Gold Corporation and the Company reached an agreement to acquire an up to 40% interest from the Company in, and operational control of, the Hod Maden gold-copper development project, located in northeastern Türkiye (the "Transaction"). As of June 30, 2023, upon closing of the Transaction, Alacer Gold Corporation made a 120M USD cash payment to acquire a 10% interest in Artmin. As a result of the Transaction, the Company has lost control on Artmin and has changed its consolidation method from full consolidation to equity method since the Company has lost control after sale of 10% of the shares.



# 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 2023

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

#### 16 Intangible assets and goodwill

For the six-month periods ended 30 June 2023 and 2022, movements in the intangible assets and goodwill were as follows:

	30 June 2023	30 June 2022
<b>Net carrying value at 1 January</b>	<b>131.533</b>	<b>158.378</b>
Additions (+)	30.939	12.359
Disposals (-)	(29)	(238)
Currency translation difference	(23.459)	(18.959)
Transfers	534	185
Additions through acquisitions	--	(96)
Adjustments	--	(13)
Amortisation for the period (-)	(9.768)	(8.490)
Disposals from the scope of consolidation (Note 2, Note 5)	(30.094)	(16.945)
<b>Net carrying value at 30 June</b>	<b>99.656</b>	<b>126.181</b>

#### 17 Right of use assets

For the six-month periods ended 30 June 2023 and 2022, movements in right of use assets were as follows:

	1 January 2023	Additions	Disposals	Currency translation difference	30 June 2023
<b>Right of use sssets</b>					
Right of use assets	32.435	2.871	(57)	(692)	34.557
Right of use assets Depreciation	(11.892)	(2.178)	57	(24)	(14.037)
<b>Net carrying value</b>	<b>20.543</b>	<b>693</b>	<b>(1)</b>	<b>(716)</b>	<b>20.519</b>

	1 January 2022	Additions	Disposals from the scope of consolidation	Currency translation difference	30 June 2022
<b>Right of use assets</b>					
Right of use assets	64.991	1.178	(29.726)	(6.361)	30.082
Right of use assets Depreciation	(17.918)	(1.410)	7.302	2.399	(9.627)
<b>Net carrying value</b>	<b>47.073</b>	<b>(232)</b>	<b>(22.423)</b>	<b>(3.962)</b>	<b>20.455</b>

## 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 2023

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

#### 18 Investment properties

As at 30 June 2023 and 31 December 2022, investment properties comprised the following:

	30 June 2023	31 December 2022
Investment property under development	58.225	58.225
Investment property in use	190.713	131.739
<b>Total</b>	<b>248.937</b>	<b>189.964</b>

For the six-month periods ended 30 June 2023 and 2022, movements in investment properties were as follows:

	30 Haziran 2023	30 Haziran 2022
<b>Balance at 1 January (previously reported)</b>	<b>86.250</b>	<b>81.584</b>
Reclassified effect (Note 2.f)	97.642	25.879
<b>Net carrying value at 1 January</b>	<b>178.842</b>	<b>99.099</b>
Additions / disposals	8.292	(2.767)
Changes in fair value (*)	50.721	--
Currency translation difference	11.083	18.996
<b>Balance at 30 June</b>	<b>248.937</b>	<b>115.329</b>

(\*) "Çalık Enerji", one of the group companies, prepared a valuation report on 14 August 2023 with a valuation date of 30 June 2023 for its investment property named Trilliant Business, which is registered in the local cadastral records of the country of Uzbekistan.

Fair value information for all investment property within the scope of TFRS 13 based on fair value hierarchy are as follows:

<b>30 June 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investment properties	--	86.210	162.727	248.937
<b>Total</b>	<b>--</b>	<b>86.210</b>	<b>162.727</b>	<b>248.937</b>

<b>31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investment properties	--	86.250	103.714	189.964
<b>Total</b>	<b>--</b>	<b>86.250</b>	<b>103.714</b>	<b>189.964</b>

# 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 2023

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

#### 19 Loans and borrowings

As at 30 June 2023 and 31 December 2022, loans and borrowings comprised the following:

30 June 2023			
Short term loans and borrowings	Finance	Non Finance	Total
Securities issued	653.797	--	653.797
Funds borrowed by the Group's banking subsidiaries	300.280	--	300.280
Current portion of long-term bank loans	128	128.356	128.483
Bank loans	2	117.621	117.623
Issued bonds	--	14.877	14.877
Financial lease debts	2.339	1.499	3.838
Lease obligations	21	140	162
Other financial liabilities	--	119.164	119.164
<b>Total</b>	<b>956.567</b>	<b>381.656</b>	<b>1.338.224</b>

Long term loans and borrowings	Finance	Non Finance	Total
Subordinated liabilities	50.970	--	50.970
Lease obligations	13.147	3.622	16.769
Securities issued	3.490	--	3.490
Funds borrowed by the Group's banking subsidiaries	2.410	--	2.410
Bank loans	912	113.240	114.151
Issued bonds	--	29.219	29.219
Sukuk agreement	--	16.512	16.512
<b>Total</b>	<b>70.928</b>	<b>162.593</b>	<b>233.521</b>

31 December 2022			
Short term loans and borrowings	Finance	Non Finance	Total
Securities issued	710.576	--	710.576
Funds borrowed by the Group's banking subsidiaries	299.724	--	299.724
Short-term portion of long-term loans	--	177.092	177.092
Bank loans	2	139.844	139.845
Issued bonds	--	19.699	19.699
Factoring payables	--	5.538	5.538
Financial lease debts	2.350	2.626	4.976
Lease obligations	--	194	194
Other financial liabilities	1	6	7
<b>Total</b>	<b>1.012.653</b>	<b>344.998</b>	<b>1.357.651</b>

Long term loans and borrowings	Finance	Non Finance	Total
Sukuk agreement	--	142.080	142.080
Bank loans	34	122.614	122.648
Securities issued	48.619	--	48.619
Issued bonds	--	30.324	30.324
Subordinated liabilities	50.152	--	50.152
Financial lease debts	12.826	3.778	16.603
Lease obligations	65	303	368
Funds borrowed by the Group's banking subsidiaries	4.743	--	4.743
<b>Total</b>	<b>116.438</b>	<b>299.099</b>	<b>415.537</b>

# 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 2023

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

#### 19 Loans and borrowings (continued)

As of 30 June 2023, there is no mortgage on the investment properties under construction with a registered value of USD 58.225 (31 December 2022: USD 58.225) in return for the bank loans used. (December 31, 2022: Not available). In addition, there are bank letters of guarantee in the amount of EUR 20.024 (31 December 2022: EUR 21.539 and EUR 4.086) regarding the Exim Bank loans received.

There are pledges to a bank over Çalık Enerji's shares of YEDAŞ, YEPAŞ and ÇEDAŞ with number of shares by 85 (TL 0,00085), 115 (TL 0,00115), 377.622.000 (TL 377.622 thousands), respectively and ÇEDAŞ's shares of YEPAŞ and YEDAŞ, with number of shares by 6.358.770.388 (TL 63.587 thousands) and 35.700.685.312 (TL 357.006 thousands), as a guarantee for the cash and non-cash bank borrowings used or will be used from that bank by Çalık Holding, ÇEDAŞ, YEDAŞ and YEPAŞ.

#### 20 Derivatives

The carrying values of derivative instruments held at 30 June 2023 and 31 December 2022, were as follows:

	30 June 2023		31 December 2022	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Forward transactions	31.841	(24.169)	3.525	(2.521)
Swap transactions	34.813	(11.090)	9.687	(1.371)
Futures transactions	11.547	(5.783)	13	(290)
Currency options	545	(745)	967	(725)
<b>Total</b>	<b>78.746</b>	<b>(41.787)</b>	<b>14.192</b>	<b>(4.907)</b>

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 2023 and 31 December 2022, provisions comprised the following items:

	30 June 2023	31 December 2022
<b><u>Short term provisions</u></b>		
Short term employee benefits	14.805	18.678
Other short-term provisions	15.402	20.131
<b>Total short-term provisions</b>	<b>30.207</b>	<b>38.808</b>
<b><u>Long term provisions</u></b>		
Long term employee benefits	15.870	15.766
Other long-term provisions	12.052	37
<b>Total long-term provisions</b>	<b>27.922</b>	<b>15.803</b>
<b>Total provisions</b>	<b>58.130</b>	<b>54.611</b>

As at 30 June 2023 and 31 December 2022, short-term and long term employee benefits comprised the following items:

	30 June 2023	31 December 2022
<b><u>Short-term</u></b>		
Bonus provisions	10.436	13.774
Vacation pay liability	4.334	4.904
Other employee benefits	34	--
<b>Total</b>	<b>14.805</b>	<b>18.678</b>
<b><u>Long term</u></b>		
Employee termination benefits	15.870	15.766
<b>Total</b>	<b>15.870</b>	<b>15.766</b>

## 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 2023

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

#### 21 Provisions(continued)

As at 30 June 2023 and 31 December 2022, other provisions comprised the following items:

	30 June 2023	31 December 2022
Provision for litigations	8.961	11.262
Provisions for expenses	5.555	7.151
Other current provisions	12.937	1.755
<b>Total</b>	<b>27.454</b>	<b>20.167</b>

For the six-month periods ended 30 June 2023 and 2022, movements in the provisions were as follows:

2023	1 January	Provision for the period	Recoveries/ payments during the year	Disposals from the scope of consolidation	Currency translation difference	30 June
Provision for litigations	11.262	640	(703)	--	(2.238)	8.961
Bonus provisions	13.774	6.485	(5.009)	--	(4.814)	10.436
Vacation pay liability	4.904	1.215	(624)	--	(1.161)	4.334
Employee termination benefits (*)	15.766	6.523	(2.071)	--	(4.346)	15.872
Other expense provisions	8.906	15.868	(4.657)	--	(1.590)	18.527
<b>Total</b>	<b>54.611</b>	<b>30.731</b>	<b>(13.064)</b>	<b>--</b>	<b>(14.149)</b>	<b>58.130</b>

2022	1 January	Provision for the period	Recoveries/ payments during the year	Disposals from the scope of consolidation	Currency translation difference	30 June
Provision for litigations	12.635	494	(233)	(855)	(1.525)	10.515
Bonus provisions	10.093	4.213	(3.554)	--	(2.025)	8.728
Vacation pay liability	4.128	1.734	144	(588)	(418)	5.001
Employee termination benefits (*)	10.770	2.378	(173)	--	(1.911)	11.065
Other expense provisions	5.692	3.366	(506)	--	(1.221)	7.332
<b>Total</b>	<b>43.318</b>	<b>12.186</b>	<b>(4.321)</b>	<b>(1.443)</b>	<b>(7.099)</b>	<b>42.642</b>

(\*) 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 of 30 June 2023, the expected cash outflow amount for the pending claims filed against the Group is USD 8.961 (30 June 2022: USD 10.515). As at 30 June 2023 and 31 December 2022, 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.

## 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 2023

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

## 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 2023 are as follows:

30 June 2023	Original currency (USD equivalent)			
	USD	TL	Others	Total
A. Total amount of GPMs given in the name of its own legal personality	224.940	74.770	92.691	392.402
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	29.799	--	29.799
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	29.799	--	29.799
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D. Other GPMs given	130	40.034	--	40.164
<b>Total</b>	<b>225.070</b>	<b>144.603</b>	<b>92.691</b>	<b>462.365</b>

GPMs in respect of commitment and contingencies realised in the ordinary course of business outside the finance sector were given as at 31 December 2022 are as follows:

31 December 2022	Original currency (USD equivalent)			
	USD	TL	Others	Total
A. Total amount of GPMs given in the name of its own legal personality	293.246	65.625	52.981	411.852
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	44.699	--	44.699
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	44.699	--	44.699
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D. Other GPMs given (*)	--	130	--	130
<b>Total</b>	<b>293.246</b>	<b>110.454</b>	<b>52.981</b>	<b>456.681</b>

(\*) As at 30 June 2023, the ratio of other GPMs given to total equity is 1,5 percent (31 December 2022: 0,6 percent).

## **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 2023**

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

## **23 Taxation**

### *Turkiye*

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

In Türkiye, corporate tax rate is 20% as at 30 June 2023 (31 December 2022: 23%) 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 Türkiye 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 Türkiye, 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 Türkiye, 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 Türkiye, 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 Türkiye, 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.

## 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 2023

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

## 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 2023, 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 2023 and 2022 comprised the following items:

	30 June 2023	30 June 2022
Taxes expense	43.289	55.532
Deferred tax expense / (income)	31.384	(35.628)
<b>Total income tax expense</b>	<b>74.673</b>	<b>19.904</b>

### *Taxes assets / taxes payable on income*

Taxes assets / taxes payable on income as at 30 June 2023 and 31 December 2022 comprised the following:

	30 June 2023	31 December 2022
Taxes on income	43.289	103.368
Less: Corporation taxes paid in advance	(43.315)	(85.477)
Foreign currency translation difference	6	(2.040)
<b>Current tax liabilities/(assets), net</b>	<b>(20)</b>	<b>15.851</b>

As at 30 June 2023, current tax liabilities on income amounting to USD 26.482 (31 December 2022: USD 38.177) is not offset with prepaid taxes amounting to USD 26.502 (31 December 2022: USD 22.327) since they are related to different tax jurisdictions.

## 24 Revenue and cost of sales

For the six months periods ended 30 June 2023 and 2022, revenue and cost of sales comprised the following:

	2023	2022
Domestic sales	563.417	550.625
Export sales	441.029	342.956
Other sales	7.274	7.009
Sales discounts (-)	(5.437)	(7.482)
<b>Subtotal (*)</b>	<b>1.006.282</b>	<b>893.108</b>
Cost of sales (-)	(779.619)	(663.260)
<b>Gross profit from non-finance operations</b>	<b>226.663</b>	<b>229.848</b>
Revenue from finance sector operations (*) (**)	337.280	297.019
Cost of revenues from finance sector operations (-)	(130.883)	(108.838)
<b>Gross profit from finance sector activities</b>	<b>206.397</b>	<b>188.181</b>
<b>Gross profit</b>	<b>433.060</b>	<b>418.029</b>

(\*) 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 69.607 (30 June 2022: USD 60.285).



## 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 2023

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#### 25 Expenses by nature

For the six months periods ended 30 June 2023 and 2022, personnel and depreciation and amortization expenses comprised the following:

	1 January – 30 June 2023	1 January – 30 June 2022
<b><u>Personnel expenses</u></b>		
Cost of sales (-)	74.085	42.602
General and administrative expenses	68.301	49.625
Selling, marketing and distribution expenses	5.373	3.325
Research and development expenses	4.386	1.588
<b>Total</b>	<b>152.145</b>	<b>97.140</b>
<b><u>Depreciation and amortization expenses</u></b>		
Cost of sales (-)	15.952	16.846
General and administrative expenses	12.117	9.860
Selling, marketing and distribution expenses	133	482
Research and development expenses	978	672
<b>Total</b>	<b>29.179</b>	<b>27.861</b>

#### 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.

# 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 2023

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

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

### Currency risk (continued)

At 30 June 2023, the currency risk exposures of the Group in USD equivalents are as follows:

CURRENCY POSITION STATEMENT	30 June 2023			
	USD equivalent	TL	EUR	Other <sup>(*)</sup>
1. Trade Receivables	74.986	57.920	39.407	29.780
2a. Monetary financial assets	2.604.876	3.498.904	1.128.265	1.239.274
2b. Non-monetary financial assets	1.265	--	919	263
3. Other	329.285	134.088	272.454	27.045
<b>4. Current assets (1+2+3)</b>	<b>3.010.412</b>	<b>3.690.912</b>	<b>1.441.045</b>	<b>1.296.363</b>
5. Trade Receivables	(586)	139	65	(663)
6a. Monetary financial assets	2.098.939	23.452	1.499.775	462.880
6b. Non-monetary financial assets	--	--	--	--
7. Other	17.413	8.689	296	16.754
<b>8. Non-current assets (5+6+7)</b>	<b>2.115.766</b>	<b>32.280</b>	<b>1.500.136</b>	<b>478.971</b>
<b>9. Total Assets (4+8)</b>	<b>5.126.178</b>	<b>3.723.192</b>	<b>2.941.181</b>	<b>1.775.333</b>
10. Trade payables	(86.579)	(300.797)	(42.297)	(28.816)
11. Financial liabilities	(502.800)	(1.771.992)	(143.946)	(277.240)
12a. Other monetary liabilities	(3.417.259)	(359.676)	(2.354.844)	(835.929)
12b. Other non-monetary liabilities	--	--	--	--
<b>13. Short term liabilities (10+11+12)</b>	<b>(4.006.639)</b>	<b>(2.432.465)</b>	<b>(2.541.088)</b>	<b>(1.141.985)</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	(179.691)	(1.074.152)	(47.376)	(86.442)
16a. Other monetary liabilities	(572.649)	(66.556)	(498.455)	(26.623)
16b. Other non-monetary liabilities	--	--	--	--
<b>17. Long term liabilities (14+15+16)</b>	<b>(752.340)</b>	<b>(1.140.708)</b>	<b>(545.831)</b>	<b>(113.066)</b>
<b>18. Total liabilities (13+17)</b>	<b>(4.758.979)</b>	<b>(3.573.173)</b>	<b>(3.086.919)</b>	<b>(1.255.051)</b>
<b>19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)</b>	<b>142.168</b>	<b>(8.501)</b>	<b>179.496</b>	<b>(53.201)</b>
19a. Hedged portion of assets amount	1.109.652	--	346.002	732.418
19b. Hedged portion of liabilities amount	(967.484)	(8.501)	(166.507)	(785.619)
<b>20. Net foreign currencies assets / (liability) position (9+18+19)</b>	<b>509.367</b>	<b>141.517</b>	<b>33.758</b>	<b>467.081</b>
<b>21. Monetary items Net foreign currencies assets / (liability) position (TFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>19.236</b>	<b>7.242</b>	<b>(419.407)</b>	<b>476.220</b>

(\*) USD equivalents are given.

# 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 2023

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

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

### Currency risk (continued)

At 31 December 2022, the currency risk exposures of the Group in USD equivalents are as follows:

CURRENCY POSITION STATEMENT	31 December 2022			
	USD equivalent	TL	EUR	Other <sup>(*)</sup>
1. Trade Receivables	87.885	17.731	1.687	36.528
2a. Monetary financial assets	2.635.180	266.939	58.985	1.192.384
2b. Non-monetary financial assets	--	--	--	--
3. Other	313.499	5.060	14.063	28.090
<b>4. Current assets (1+2+3)</b>	<b>3.036.564</b>	<b>289.730</b>	<b>74.735</b>	<b>1.257.002</b>
5. Trade Receivables	414	--	--	414
6a. Monetary financial assets	2.120.837	1.259	75.982	604.883
6b. Non-monetary financial assets	--	--	--	--
7. Other	4.225	391	13	3.567
<b>8. Non-current assets (5+6+7)</b>	<b>2.125.476</b>	<b>1.650</b>	<b>75.995</b>	<b>608.864</b>
<b>9. Total Assets (4+8)</b>	<b>5.162.040</b>	<b>291.380</b>	<b>150.730</b>	<b>1.865.866</b>
10. Trade payables	(109.107)	(23.084)	(1.749)	(51.157)
11. Financial liabilities	(505.360)	(66.309)	(7.427)	(291.001)
12a. Other monetary liabilities	(3.426.304)	(17.542)	(119.063)	(1.035.246)
12b. Other non-monetary liabilities	(31.735)	--	(64)	(30.464)
<b>13. Short term liabilities (10+11+12)</b>	<b>(4.072.506)</b>	<b>(106.935)</b>	<b>(128.303)</b>	<b>(1.407.868)</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	(183.012)	(54.995)	(4.560)	(37.112)
16a. Other monetary liabilities	(548.340)	(7.119)	(25.952)	(23.880)
16b. Other non-monetary liabilities	--	--	--	--
<b>17. Long term liabilities (14+15+16)</b>	<b>(731.352)</b>	<b>(62.114)</b>	<b>(30.512)</b>	<b>(60.992)</b>
<b>18. Total liabilities (13+17)</b>	<b>(4.803.858)</b>	<b>(169.049)</b>	<b>(158.815)</b>	<b>(1.468.860)</b>
<b>19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)</b>	<b>146.699</b>	<b>62</b>	<b>5.214</b>	<b>42.697</b>
19a. Hedged portion of assets amount	1.067.098	62	17.742	713.348
19b. Hedged portion of liabilities amount	(920.399)	--	(12.528)	(670.651)
<b>20. Net foreign currencies assets / (liability) position (9+18+19)</b>	<b>504.881</b>	<b>122.393</b>	<b>(2.871)</b>	<b>439.703</b>
<b>21. Monetary items Net foreign currencies assets / (liability) position (TFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>72.193</b>	<b>116.880</b>	<b>(22.097)</b>	<b>395.813</b>

(\*) USD equivalents are given.

# 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 2023

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

### 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 2023 and 31 December 2022 as follows:

30 June 2023	Profit / (Loss)		Equity	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
<b>Increase/(decrease) 10% of TL parity</b>				
1-TL Dollar net asset / liability	(548)	548	--	--
2-Hedged portion of TL amounts (-)	--	--	--	--
<b>3-Net effect of TL (1+2)</b>	<b>(548)</b>	<b>548</b>	--	--
<b>Increase/(decrease) 10% of EUR parity</b>				
4-EUR net asset / liability	(3.681)	3.681	--	--
5-Hedged portion of EUR amounts (-)	--	--	--	--
<b>6-Net effect of EUR (4+5)</b>	<b>(3.681)</b>	<b>3.681</b>	--	--
<b>Increase/(decrease) 10% of other parities</b>				
7-Other foreign currency net asset / liability	(46.708)	46.708	--	--
8-Hedged portion of other foreign currency amounts (-)	--	--	--	--
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>(46.708)</b>	<b>46.708</b>	--	--
<b>TOTAL (3+6+9)</b>	<b>(50.937)</b>	<b>50.937</b>	--	--
31 December 2022	Profit / (Loss)		Equity	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
<b>Increase/(decrease) 10% of TL parity</b>				
1-TL net asset / liability	(3.839)	3.839	--	--
2-Hedged portion of TL amounts (-)	--	--	--	--
<b>3-Net effect of TL (1+2)</b>	<b>(3.839)</b>	<b>3.839</b>	--	--
<b>Increase/(decrease) 10% of EUR parity</b>				
4-EUR net asset / liability	5.721	(5.721)	--	--
5-Hedged portion of EUR amounts (-)	--	--	--	--
<b>6-Net effect of EUR (4+5)</b>	<b>5.721</b>	<b>(5.721)</b>	--	--
<b>Increase/(decrease) 10% of other parities</b>				
7-Other foreign currency net asset / liability	(43.914)	43.914	--	--
8-Hedged portion of other foreign currency amounts (-)	--	--	--	--
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>(43.914)</b>	<b>43.914</b>	--	--
<b>TOTAL (3+6+9)</b>	<b>(42.031)</b>	<b>42.031</b>	--	--

## 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 2023

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

#### 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.

## Çalık Holding Anonim Şirketi and its Subsidiaries

### Notes to Condensed Consolidated Interim Financial Statements

#### For the Six-Month Period Ended 30 June 2023

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

## 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 2023	Amortised costs	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total book value	Level 1	Level 2	Level 3	Total net realisable value
<b>Financial assets measured at fair value</b>								
Financial investments <sup>(**)</sup>	--	744.372	2.384.933	3.129.304	1.901.071	980.543	247.691	3.129.304
Derivatives <sup>(*)</sup>	--	78.746	--	78.746	--	78.746	--	78.746
<b>Financial assets not measured at fair value</b>								
Financial investments <sup>(**)</sup>	1.222.356	--	--	1.222.356	426.994	795.362	--	1.222.356
Trade receivables	425.112	--	--	425.112	--	--	--	--
Other receivables	425.112	--	--	425.112	--	--	--	--
Cash and cash equivalents	492.378	--	--	492.378	--	--	--	--
Receivables related to finance sector operations	885.789	--	--	885.789	--	--	--	--
<b>Total</b>	<b>3.450.749</b>	<b>823.118</b>	<b>2.384.933</b>	<b>6.658.798</b>	<b>2.328.064</b>	<b>1.854.651</b>	<b>247.691</b>	<b>4.430.406</b>
<b>Financial liabilities measured at fair value</b>								
Derivatives <sup>(**)</sup>	--	41.787	--	41.787	--	41.787	--	41.787
<b>Financial liabilities not measured at fair value</b>								
<b>Liabilities</b>								
Loans and borrowings <sup>(**)</sup>	1.571.744	--	--	1.571.744	--	--	1.571.744	1.571.744
Trade payables	298.759	--	--	<b>298.759</b>	--	--	--	--
Payables related to finance sector operations	5.988.413	--	--	<b>5.988.413</b>	--	--	--	--
Other payables <sup>(*)</sup>	29.023	--	--	<b>29.023</b>	--	--	--	--
<b>Total</b>	<b>7.887.939</b>	<b>41.787</b>	<b>--</b>	<b>7.929.726</b>	<b>--</b>	<b>41.787</b>	<b>1.571.744</b>	<b>1.613.531</b>

<sup>(\*)</sup> Deposits and guarantees given are excluded from other liabilities.

<sup>(\*\*)</sup> Carrying value and fair value of this assets and liabilities are the same.

## 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 2023

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

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

##### *Fair value information (continued)*

31 December 2022	Amortised costs	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total book value	Level 1	Level 2	Level 3	Total net realisable value
<b>Financial assets measured at fair value</b>								
Financial investments (**)	--	679.732	2.458.184	<b>3.137.916</b>	2.021.342	879.882	236.692	<b>3.137.916</b>
Derivatives (**)	--	14.192	--	<b>14.192</b>	--	14.192	--	<b>14.192</b>
<b>Financial assets not measured at fair value</b>								
Financial investments (**)	909.064	--	--	<b>909.064</b>	390.614	518.450	--	<b>909.064</b>
Trade receivables	419.564	--	--	<b>419.564</b>	--	--	--	--
Other receivables	524.806	--	--	<b>524.806</b>	--	--	--	--
Cash and cash equivalents	1.043.602	--	--	<b>1.043.602</b>	--	--	--	--
Receivables related to finance sector operations	2.401.234	--	--	<b>2.401.234</b>	--	--	--	--
<b>Total</b>	<b>5.298.270</b>	<b>693.924</b>	<b>2.458.184</b>	<b>8.450.378</b>	<b>2.411.956</b>	<b>1.412.524</b>	<b>236.692</b>	<b>4.061.172</b>
<b>Financial liabilities measured at fair value</b>								
Derivatives (**)	--	4.907	--	<b>4.907</b>	--	4.907	--	<b>4.907</b>
<b>Financial liabilities not measured at fair value</b>								
Loans and borrowings (**)	1.773.188	--	--	<b>1.773.188</b>	--	--	1.773.183	<b>1.773.183</b>
Trade payables	295.479	--	--	<b>295.479</b>	--	--	--	--
Payables related to finance sector operations	5.902.038	--	--	<b>5.902.038</b>	--	--	--	--
Other payables (*)	15.158	--	--	<b>15.158</b>	--	--	--	--
<b>Total</b>	<b>7.985.863</b>	<b>4.907</b>	<b>--</b>	<b>7.990.770</b>	<b>--</b>	<b>4.907</b>	<b>1.773.183</b>	<b>1.778.090</b>

(\*) Deposits and guarantees given are excluded from other liabilities.

(\*\*) Carrying value and fair value of these assets and liabilities are the same.

## **Çalık Holding Anonim Şirketi and its Subsidiaries**

### **Notes to Condensed Consolidated Interim Financial Statements**

#### **For the Six-Month Period Ended 30 June 2023**

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

#### **27 Subsequent events**

1) With the Law published in the Official Gazette dated July 15, 2023, amendments were made to the Corporate Tax Law No. 5520. According to this; the corporate tax rate has been increased from 20% to 25%, starting from the declarations that must be submitted as of October 1, 2023. In addition, the 1 point discount on the corporate tax rate applied to exporting companies' earnings derived exclusively from exports has been changed to 5 points. Additionally, with the amendment, as of July 15, 2023; the 50% tax exemption foreseen for real estate sales profits in Law No. 5520 has been abolished. However, this exception will be applied as 25% on the sales of real estate in the assets of businesses before July 15, 2023.

Studies are continuing to determine the effects of these changes on current and deferred tax calculations.

2) With the announcement published by the Public Oversight, Accounting and Auditing Standards Authority dated 23 November 2023, companies that apply Turkish Financial Reporting Standards (TFRS) and the Financial Reporting Standard for Large and Medium-Sized Enterprises (BOBİ FRS) are required to comply with the financial statements of annual reporting period ending on or after 31 December 2023, it has been stated that it should be corrected and presented according to its inflation effect in accordance with “Turkish Accounting Standard 29 Financial Reporting in High Inflation Economies” and “BOBİ FRS Chapter 25 Financial Reporting in High Inflation Economies”.