

**ENKA İNŞAAT VE SANAYİ
ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

Condensed Consolidated Interim Financial
Statements as at and for the Three-Months
Period Ended
31 March 2025

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ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(Amounts are expressed in thousands of U.S. Dollars (“USD”) unless otherwise stated.)

ASSETS	Note	31 March 2025	31 December 2024
Current Assets		4,453,798	4,527,245
Cash and cash equivalents		1,098,448	1,199,361
Financial investments	13	2,175,888	2,135,512
Trade receivables		352,415	439,196
Other receivables			
Other receivables from related parties		1	1
Other receivables from third parties		12,794	4,486
Inventories		418,301	390,068
Prepaid expenses		220,172	215,697
Costs and estimated earnings in excess of billings on uncompleted contracts	5	107,667	72,565
Other current assets		52,557	54,811
		<u>4,438,243</u>	<u>4,511,697</u>
Assets held for sale		15,555	15,548
Non-Current Assets		6,101,606	5,776,264
Financial investments	13	2,279,145	2,184,841
Investment properties	6	1,986,821	1,813,159
Property, plant and equipment		1,776,339	1,684,550
Right of use assets		40,541	40,892
Intangible assets			
Other intangible assets		14,966	49,365
Deferred tax assets		2,637	2,627
Prepaid expenses		487	244
Other non-current assets		670	586
TOTAL ASSETS		<u>10,555,404</u>	<u>10,303,509</u>

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

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(Amounts are expressed in thousands of U.S. Dollars (“USD”) unless otherwise stated.)

LIABILITIES	Note	31 March 2025	31 December 2024
Current Liabilities		1,487,655	1,558,340
Short-term borrowings		130	120
Current portion of long-term borrowings		5,110	4,196
Trade payables		278,945	356,218
Payables to employees		45,129	29,562
Other payables			
Payables to related parties		11	-
Payables to third parties		25,199	22,043
Billings in excess of costs and estimated earnings on uncompleted contracts	5	393,369	439,717
Deferred income		603,634	564,954
Taxation on income		43,623	32,979
Provisions			
Provisions for employee benefits		10,405	18,319
Other provisions		34,240	35,502
Other current liabilities		47,860	54,730
Non-Current Liabilities		766,823	717,120
Long-term borrowings		129,574	111,972
Other payables		27,795	25,582
Deferred income		-	-
Provisions for employee benefits		19,783	20,308
Deferred tax liabilities		589,671	559,258
EQUITY		8,300,926	8,028,049
Equity Attributable to Equity Holders of the Parent		8,213,321	7,919,631
Share capital	10	2,751,959	2,751,959
Treasury Shares	10	(126,701)	(126,701)
Revaluation surplus		282,816	282,231
Currency translation difference		(1,384,636)	(1,549,670)
Other reserves		(10,611)	(10,803)
Legal reserves and accumulated profit		6,700,494	6,572,615
Non-Controlling Interests		87,605	108,418
TOTAL LIABILITIES AND EQUITY		10,555,404	10,303,509

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

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

	Note	1 January- 31 March 2025	1 January- 31 March 2024
CONTINUING OPERATIONS			
Revenue	4	825,069	589,755
Cost of revenues (-)	4	(603,384)	(449,827)
GROSS PROFIT		221,685	139,928
Administrative expenses (-)	4	(62,038)	(63,569)
Marketing, selling and distribution expenses (-)	4	(11,003)	(7,641)
Other operating income	4	7,903	20,407
Other operating expenses (-)	4	(7,259)	(11,885)
PROFIT FROM OPERATIONS		149,288	77,240
Income from investing activities	4,11	59,534	141,691
Expenses from investing activities (-)	4,11	(64,754)	(24,096)
OPERATING PROFIT		144,068	194,835
Financial income	4	26,602	15,477
Financial expenses (-)	4	(8,351)	(9,007)
Net monetary loss (-)	4	(11,219)	(5,005)
PROFIT BEFORE TAX		151,100	196,300
Current tax expense (-)		(30,751)	(24,291)
Deferred tax income / (expense)		(2,662)	(15,251)
NET PROFIT (LOSS) FOR THE PERIOD		117,687	156,758
Attributable to:			
Non-controlling interest		10,941	4,938
Equity holders of the parent		106,746	151,820
		117,687	156,758
Earning / (Loss) per share from continuing operations			
- ordinary share certificate (full USD)		0.02	0.03
Weighted average number of shares			
(1 dollar weighted average shares)		5,862,743,582	5,862,743,582

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

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2025**

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

	1 January- 31 March 2025	1 January- 31 March 2024
NET PROFIT FOR THE PERIOD	117,687	156,758
Other Comprehensive Income / (Expense):		
Items that will not be reclassified subsequently to profit or loss		
	(3,858)	(3,262)
Changes in currency translation difference in revaluation fund of property	(3,858)	(3,262)
Items that may be reclassified subsequently to profit or loss	195,293	(106,832)
Changes in currency translation difference	195,293	(106,832)
OTHER COMPREHENSIVE INCOME / (LOSS)	191,435	(110,094)
TOTAL COMPREHENSIVE INCOME	309,122	46,664
Attributable to:		
Non-controlling interest	15,432	2,518
Equity holders of the parent	293,690	44,146
	309,122	46,664

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

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

	Share capital	Treasury Shares	Revaluation surplus	Currency translation difference	Other reserves	Legal reserves and accumulated profit	Total	Non- controlling interests	Total equity
Balance at 1 January 2024	2,751,959	(126,701)	190,622	(1,487,368)	(10,496)	6,007,441	7,325,457	98,018	7,423,475
Total other comprehensive income	-	-	1,651	(44,106)	(976)	41,444	(1,987)	(2,420)	(4,407)
Profit for the period	-	-	-	-	-	151,820	151,820	4,938	156,758
Total comprehensive income	-	-	1,651	(44,106)	(976)	193,264	149,833	2,518	152,351
Increase (Decrease) through Treasury Share Transactions	-	-	-	-	-	-	-	-	-
Transfer of depreciation difference (net of deferred tax) of revaluation effect	-	-	(69)	-	-	69	-	-	-
Dividends paid	10	-	-	-	-	(103,195)	(103,195)	(388)	(103,583)
Balance at 31 March 2024	2,751,959	(126,701)	192,204	(1,531,474)	(11,472)	6,097,579	7,372,095	100,148	7,472,243
Balance at 1 January 2025	2,751,959	(126,701)	282,231	(1,549,670)	(10,803)	6,572,615	7,919,631	108,418	8,028,049
Total other comprehensive income	-	-	689	165,034	192	21,029	186,944	4,491	191,435
Profit for the period	-	-	-	-	-	106,746	106,746	10,941	117,687
Total comprehensive income	-	-	689	165,034	192	127,775	293,690	15,432	309,122
Transfer of depreciation difference (net of deferred tax) of revaluation effect	-	-	(104)	-	-	104	-	-	-
Dividends paid	10	-	-	-	-	-	-	(36,245)	(36,245)
Balance at 31 March 2025	2,751,959	(126,701)	282,816	(1,384,636)	(10,611)	6,700,494	8,213,321	87,605	8,300,926

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

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed in thousands of U.S. Dollars (“USD”) unless otherwise stated.)

	1 January- 31 March 2025	1 January- 31 March 2024
Cash flows from operating activities		
Profit for the period	117,687	156,758
Adjustments to reconcile net income to net cash used in operating activities:		
- Adjustments related to depreciation and amortisation	29,483	26,472
- Adjustments related to provision for employment	1,439	616
- Adjustments related to allowance for doubtful receivables	79	79
- Adjustments related to provision for litigations	250	184
- (Income) / loss from fair value of forward transactions	3,107	(3,147)
- Adjustments to related to interest expense	662	533
- Adjustments to related to interest income	(28,286)	(27,127)
- Adjustments to related to dividend income	11 (1,209)	(3,563)
- Adjustments to related to provision for inventory impairment, net	263	278
- Adjustments to related to gain on sale or disposal of property, plant and equipment, net	11 (812)	(1,327)
- Adjustments to related to fair value increase in investment properties	(239)	(132)
- Adjustments to related to valuation of investment securities	13,389	(87,297)
- Interest accrual	-	37
- Tax expense	33,413	39,542
	<u>169,226</u>	<u>101,906</u>
Movements in working capital		
Change in trade and other receivables	86,701	79,166
Change cost and estimated earnings in excess of billings on uncompleted contracts	(35,102)	15,924
Change in inventory	(28,496)	(82,545)
Change in other current assets and other non current assets	(10,864)	9,392
Change in trade and other payables	(77,273)	5,297
Change in billings in excess of cost and estimated earnings on uncompleted contracts	(46,348)	9,774
Change provision for liabilities and other liabilities	40,415	54,657
	<u>(70,967)</u>	<u>91,665</u>
Income taxes paid	(20,107)	(21,618)
Employee termination benefits paid	(868)	(723)
Net cash generated from operating activities	<u>77,284</u>	<u>171,230</u>
Cash flows from investing activities		
Purchases of financial investments	(272,904)	(235,833)
Sale of financial investments	125,020	209,441
Proceeds on disposal or sale of property, plant and equipment	7 2,960	2,515
Purchases of property, plant and equipment, intangible assets and investment properties	(48,356)	(66,424)
Interest received	11 15,337	20,739
Dividend received	11 1,209	3,563
Net cash used in investing activities	<u>(176,734)</u>	<u>(65,999)</u>
Cash flows from financing activities		
Repayments of borrowings	(49)	(29)
Interest received	12,950	6,351
Interest paid	(1,082)	(503)
Dividend paid to non-controlling interests	(36,245)	(388)
Dividend paid	-	(103,195)
Net cash used in financing activities	<u>(24,426)</u>	<u>(97,764)</u>
Inflation Effect	(27,990)	-
Translation reserve	50,953	(7,893)
Net increase / (decrease) in cash and cash equivalents	<u>(100,913)</u>	<u>(426)</u>
Cash and cash equivalents at beginning of the period	1,199,361	1,230,086
Cash and cash equivalents at end of the period	<u>1,098,448</u>	<u>1,229,660</u>

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

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

1. ORGANIZATIONS AND OPERATIONS OF THE GROUP

Enka İnşaat ve Sanayi Anonim Şirketi (“the Group”) was established on 4 December 1967 and registered in İstanbul, Turkey, under the Turkish Commercial Code. The address of the headquarters and registered office of Enka İnşaat is Balmumcu, Zincirlikuyu Yolu No:10, 34349 Enka Binası Beşiktaş, İstanbul, Turkey.

As of 28 June 2002, Enka İnşaat merged legally with its publicly traded shareholder company, Enka Holding Yatırım Anonim Şirketi (“Enka Holding”), which were under the common control of Tara Holding Anonim Şirketi and Tara and Gülçelik families. As of 31 March 2025, 8.35% of the shares of Enka İnşaat is traded publicly in İstanbul Stock Exchange (“ISE”).

As of 31 March 2025, the average numbers of white and blue-collar personnel are respectively 4,646 and 20,159 (31 December 2024 – 5,344 and 20,336).

For the purpose of the condensed consolidated interim financial statements, Enka İnşaat, its consolidated subsidiaries and its joint operations are hereinafter referred to as “the Group”.

The Group operates in geographical areas below:

- i. The Group provides services in a wide array of construction activities in Türkiye, and these construction activities include thermal power plants and industrial construction projects that produce natural gas-fired electrical energy, which it constructs and operates. Additionally, the Group is operating in trading activities..
- ii. *Georgia, Turkmenistan and Kazakhstan*: engaged in construction activities. Additionally, in investment and development of real estate properties and construction and operation of shopping malls in Moscow, Russia.
- iii. Engaged in construction activities in Kenya and Libya in Africa; Saudi Arabia, Sri Lanka, India, Iraq and Mongolia in Asia; Mexico in North America; Brasil and Argentina in South America, Bahamas and Puerto Rico in Carribean.
- iv. *Europe*: engaged in construction, energy and trading activities in Romania, the Netherlands, Switzerland, Greece, Germany, Serbia, Kosovo, United Kingdom, Italy, North Macedonia and Bulgaria.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of accounting

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the International Financial Reporting Standards and interpretations (“IFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

Enka İnşaat and its subsidiaries which are incorporated in Turkey, maintain their books of accounts in accordance with the Turkish Commercial Code and Tax Law and the foreign subsidiaries maintain their books of accounts in accordance with the laws and regulations in force in the countries where they are registered. The Company prepares its statutory consolidated financial statements in Turkish Lira (“TL”) in accordance with Turkish Financial Reporting Standards (“TFRS”) issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) according to the Article 5 of the Communiqué as set out in the Communiqué serial II, No: 14.1 announcement of Capital Markets Board (“CMB”) dated 13 June 2013 related to “Capital Market Communiqué on Principles Regarding Financial Reporting”. The consolidated financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) including requirements of IAS 34 “Interim Financial Reporting”. IAS consists of International Accounting Standards, International Financial Reporting Standards (“IFRS”) and related appendices and interpretations.

The condensed consolidated interim financial statements have been prepared on the historical cost convention, except for financial assets at fair value through profit or loss, investment properties, land and buildings which are measured at fair values.

Approval of the financial statements:

The condensed consolidated interim financial statements are approved by the Company’s Board of Directors on 9 March 2025. The General Assembly of the Company has the right to amend and relevant regulatory bodies have the right to request the amendment of these consolidated financial statements.

Functional and presentation currency

As significant amount of construction operations of Enka İnşaat which form main part of the operations of the Group are carried out in U.S. Dollar or indexed to U.S. Dollar, this currency has been determined as the functional and the presentation currency of the Group in line with IAS 21. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies (i.e. any currency other than the functional currency) are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the Power companies’ operating in Turkey, was changed from U.S. Dollar to TL due to the changes in operations or activity in the economic environment as of 1 January 2020.

The functional currencies of foreign subsidiaries operating in Russia (Moscow Krasnye Holmy (MKH), Limited Liability Company Mosenka (Mosenka) and Limited Liability Company Enka TC (Enka TC) are Ruble. The functional currency of jointly managed subsidiaries established in Romania, Kosovo and Albania and Enka Pazarlama are the Euro. The functional currency of some subsidiaries incorporated in Turkey is TL. These companies reporting to Enka İnşaat in the currency of their respective currencies.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars ("USD") unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of presentation (cont'd)

Functional and presentation currency (cont'd)

The assets and liabilities of the subsidiaries, joint operations and branches whose functional currency is other than U.S. Dollars are translated into U.S. Dollars at the rate of exchange ruling at the balance sheet date and their consolidated statement of profit or loss are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as currency translation difference.

Within Turkey, official exchange rates of the Turkish Lira (TL) are determined by the Central Bank of Turkey (CBT) and are generally considered to be a reasonable approximation of market rates.

As of 31 March 2025, 31 December 2024 and 31 March 2024, the buying rates and average rates for one U.S. Dollar can be summarized as below:

	31 March 2025	31 December 2024	31 March 2024
U.S. Dollars/TL – as of balance sheet date	37.7656	35.2803	32.2854
U.S. Dollars/TL – yearly average	36.1994	32.7984	30.9035
U.S. Dollars/EUR – as of balance sheet date	0.9279	0.9604	0.9277
U.S. Dollars/EUR – yearly average	0.9502	0.9242	0.9210
U.S. Dollars/RBL – as of balance sheet date	83.6813	101.6797	92.3660
U.S. Dollars/RBL – yearly average	93.3103	92.5652	90.7471

Restatement of Financial Statements During Periods of High Inflation

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying International Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of IAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

POA made a announcement on 23 November 2023 regarding the scope and application of IAS 29. It stated that the financial statements of the entities applying International Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in IAS 29, adjusted for the effects of inflation.

In this framework, while preparing the consolidated financial statements dated 31 March 2025 and 31 December 2024, inflation adjustment has been made in accordance with IAS 29.

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies.

IAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, IAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Turkey are required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars ("USD") unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of presentation (cont'd)

Restatement of Financial Statements During Periods of High Inflation (cont'd)

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Index	Adjustment Coefficient	Cumulative inflation rates
31 March 2025	2,954.69	1.0000	250%
31 December 2024	2,684.55	1.10063	291%
31 March 2024	2,139.47	1.38104	309%

The main lines of IAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of IAS 29 Inflation Accounting is summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars ("USD") unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of presentation (cont'd)

Restatement of Financial Statements During Periods of High Inflation (cont'd)

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated Financial Statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated financial statements are translated at the closing rate.

When consolidating financial statements with different reporting period ends, all monetary and nonmonetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period. Since the functional currency of the Group is USD, consolidated financial statements of prior periods are not restated.

Comparative Information and Reclassification of Prior Year Consolidated Financial Statements

The Group prepares comparative condensed consolidated interim financial statements, to enable readers to determine financial position and performance trends. For the purposes of effective comparison, comparative condensed consolidated interim financial statements can be reclassified when deemed necessary by the Group, where descriptions on significant differences are disclosed. In the current year, there is no such reclassification.

Basis of Consolidation

The condensed consolidated interim financial statements comprise the financial statements of the parent company, its joint operations and its subsidiaries as at 31 March 2025. The condensed consolidated interim financial statements of the joint operations and the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Control is achieved when the Group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of presentation (cont'd)

Basis of Consolidation (cont'd)

Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. All significant intra-group transactions and balances between Enka İnşaat and its consolidated subsidiaries and joint operations are eliminated.

Subsidiaries are all entities over which the Group has power to govern the financial and operating policies so as to benefit from its activities. Subsidiaries in which the Group owns directly or indirectly more than 50% of the voting rights, or has power to govern the financial and operating policies under a statute or agreement are consolidated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Non-controlling interests represent the portion of consolidated statement of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

2.2 Changes in the accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the last annual financial statements.

2.3 Changes in Accounting Estimates and Errors

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the previous periods are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current period but if the estimated changes effect the following periods, changes are applied both on the current and following years prospectively. There is no material change in accounting estimates of the Group in the current period.

When a significant accounting error is identified, it is corrected retrospectively and the prior year consolidated financial statements are restated. The Group did not detect any significant accounting error in the current year.

2.4 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2025

Amendments to IAS 21

Lack of Exchangeability

Amendments to IAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

b) New and revised IFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

Amendments to IFRS 9 and IFRS 7

*Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments
Presentation and Disclosures in Financial Statements
Subsidiaries without Public Accountability: Disclosure
Annual Improvements to IFRS Accounting Standards -
Volume 11*

IFRS 18

IFRS 19

Annual Improvements

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2.4 New and Amended Turkish Financial Reporting Standards

b) New and revised IFRSs in issue but not yet effective (cont'd)

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. Annual reporting periods beginning on or after 1 January 2026.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosure

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. Applicable to annual reporting periods beginning on or after 1 January 2027.

New and Amended Turkish Financial Reporting Standards (cont'd)

Annual Improvements to IFRS Accounting Standards - Volume 11

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

Annual reporting periods beginning on or after 1 January 2026.

2.5 Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. When a significant accounting error is identified, it is corrected retrospectively and the prior year consolidated financial statements are restated.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

3. CHANGES IN OPERATIONAL SEASON

The Group's operations related to construction slow down during the winter season and differ significantly from other operational areas.

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4. SEGMENTAL INFORMATION

The Group's operating businesses are organized and managed separately according to the nature of services and products provided and has four reportable segments as follows: construction, rental, energy and trading.

a) Business segments

1 January - 31 March 2025						
	Construction contracts	Rental	Trade	Energy	Eliminations	Consolidated
Revenues	523,574	85,731	68,268	147,496	-	825,069
Inter-segment revenues	25,727	1,694	1,353	-	(28,774)	-
Cost of revenues (-)	(382,780)	(28,941)	(48,322)	(143,341)	-	(603,384)
Inter-segment cost of revenues (-)	(25,727)	(1,694)	(1,353)	-	28,774	-
Gross profit	140,794	56,790	19,946	4,155	-	221,685
Administrative expenses (-)	(52,049)	(1,775)	(4,570)	(3,644)	-	(62,038)
Marketing expenses (-)	(5,732)	(1,456)	(3,815)	-	-	(11,003)
Other operating income	6,822	378	353	350	-	7,903
Other operating expenses (-)	(4,769)	(215)	(1,846)	(429)	-	(7,259)
Profit from operations	85,066	53,722	10,068	432	-	149,288
Investment income	58,722	484	-	328	-	59,534
Investment expenses (-)	(63,209)	(1,521)	-	(24)	-	(64,754)
Profit from operations before financial income / (expenses)	80,579	52,685	10,068	736	-	144,068
Financial income	12,695	2,900	1,746	9,261	-	26,602
Financial expenses (-)	(7,161)	(266)	(687)	(237)	-	(8,351)
Net monetary gain (loss)	-	-	(89)	(11,130)	-	(11,219)
Profit / (loss) before tax	86,113	55,319	11,038	(1,370)	-	151,100
Current tax expense (-)	(10,729)	(13,638)	(3,543)	(2,841)	-	(30,751)
Deferred taxation income/ (expenses)	(3,457)	2,777	(1,556)	(426)	-	(2,662)
Profit / (loss) for the period from continuing operations	71,927	44,458	5,939	(4,637)	-	117,687
31 March 2025						
	Construction contracts	Rental	Trade	Energy		Consolidated
Segment assets	6,808,856	2,053,124	228,762	1,464,662		10,555,404
Total assets	6,808,856	2,053,124	228,762	1,464,662		10,555,404
Segment liabilities	1,417,676	538,676	101,459	196,667		2,254,478
Total liabilities	1,417,676	538,676	101,459	196,667		2,254,478
1 January - 31 March 2025						
Other segment information	Construction contracts	Rental	Trade	Energy		Consolidated
<u>Capital expenditures</u>						
Investment Property						
Property, plant and equipment & investment property	13,429	87	363	34,385		48,264
Intangible assets	32	27	32	1		92
Total capital expenditures	13,461	114	395	34,386		48,356
Depreciation expense	12,725	420	609	15,051		28,805
Amortisation expense	586	11	62	19		678

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4. SEGMENTAL INFORMATION (cont'd)

a) Business segments(cont'd)

1 January - 31 March 2024						
	Construction contracts	Rental	Trade	Energy	Eliminations	Consolidated
Revenues	444,532	79,447	46,511	19,265	-	589,755
Inter-segment revenues	27,760	1,695	2,755	-	(32,210)	-
Cost of revenues (-)	(350,521)	(29,709)	(31,634)	(37,963)	-	(449,827)
Inter-segment cost of revenues (-)	(27,760)	(1,695)	(2,755)	-	32,210	-
Gross profit	94,011	49,738	14,877	(18,698)	-	139,928
Administrative expenses (-)	(57,918)	(1,696)	(1,669)	(2,286)	-	(63,569)
Marketing expenses (-)	(3,449)	(1,428)	(2,764)	-	-	(7,641)
Other operating income	8,652	852	2,979	7,924	-	20,407
Other operating expenses (-)	(5,222)	(446)	(473)	(5,744)	-	(11,885)
Profit from operations	36,074	47,020	12,950	(18,804)	-	77,240
Investment income	141,078	430	-	183	-	141,691
Investment expenses (-)	(24,023)	(7)	-	(66)	-	(24,096)
Profit from operations before financial income / (expenses)	153,129	47,443	12,950	(18,687)	-	194,835
Financial income	8,421	827	676	5,553	-	15,477
Financial expenses (-)	(5,295)	(408)	(3,162)	(142)	-	(9,007)
Net monetary gain (loss)	-	-	987	(5,992)	-	(5,005)
Profit before tax	156,255	47,862	11,451	(19,268)	-	196,300
Current tax expense (-)	(10,824)	(8,333)	(2,311)	(2,823)	-	(24,291)
Deferred taxation income/ (expenses)	(11,844)	(1,418)	(1,241)	(748)	-	(15,251)
Profit for the period from						
31 December 2024						
	Construction contracts	Rental	Trade	Energy		Consolidated
Segment assets	6,706,143	1,873,771	272,370	1,451,225		10,303,509
Total assets	6,706,143	1,873,771	272,370	1,451,225		10,303,509
Segment liabilities	1,448,273	489,469	118,634	219,084		2,275,460
Total liabilities	1,448,273	489,469	118,634	219,084		2,275,460
1 January - 31 March 2024						
	Construction contracts	Rental	Trade	Energy		Consolidated
Other segment information						
<u>Capital expenditures</u>						
Property, plant and equipment & investment property	17,545	550	417	47,488		66,000
Intangible assets	170	35	215	4		424
Total capital expenditures	17,715	585	632	47,492		66,424
Depreciation expense	12,263	426	609	12,460		25,758
Amortisation expense	646	4	47	17		714

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4. SEGMENTAL INFORMATION (cont'd)

a) Geographical segments

1 January - 31 March 2025						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Net sales	362,894	259,088	133,863	69,224	-	825,069
Inter-segment sales	27,080	1,694	-	-	(28,774)	-
Capital expenditures	42,373	562	5,126	295	-	48,356
31 March 2025						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Segmental assets	6,821,511	2,846,897	514,604	372,392	-	10,555,404
1 January - 31 March 2024						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Net sales	178,419	223,707	145,733	41,896	-	589,755
Inter-segment sales	30,515	1,695	-	-	(32,210)	-
Capital expenditures	43,745	1,771	20,276	632	-	66,424
31 December 2024						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Segmental assets	6,704,825	2,633,884	581,288	383,512	-	10,303,509

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5. CONSTRUCTION CONTRACTS

The Group's construction contract details as of 31 March 2025 and 31 December 2024 is as follows:

	31 March 2025	31 December 2024
Costs incurred on uncompleted contracts	3,539,365	3,326,560
Recognized profit less recognized losses to date, net	1,271,554	1,169,479
	<u>4,810,919</u>	<u>4,496,039</u>
Less: Progress billing	(5,096,621)	(4,863,191)
	<u>(285,702)</u>	<u>(367,152)</u>
	31 March 2025	31 December 2024
Costs and estimated earnings in excess of billings on uncompleted contracts	107,667	72,565
Billings in excess of costs and estimated earnings on uncompleted contracts	(393,369)	(439,717)
	<u>(285,702)</u>	<u>(367,152)</u>

As of 31 March 2025, the amount of advances received of subsidiaries and companies shares in joint operations is USD 543,404 (31 December 2024: USD 508,237).

6. INVESTMENT PROPERTIES

As of 31 March 2025 and 31 March 2024, movement of investment properties is as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Opening balance	1,813,159	1,821,962
Currency translation difference	173,466	(25,032)
Transfers from fixed assets	-	4,572
Additions	-	157
Disposals	(43)	-
Change in present value of lease obligations	239	132
Closing balance	<u>1,986,821</u>	<u>1,801,791</u>

7. PROPERTY, PLANT AND EQUIPMENT

During the period ended 31 March 2025 the Group purchased property plant and equipment amounting to USD 48,264 (31 March 2024: USD 65,843). In addition, during the period ended 31 March 2025 net book value of USD 2,148 (31 March 2024: USD 1,188) property plant and equipment sold for USD 2,960 (31 March 2024: USD 2,515).

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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8. COMMITMENTS**Litigations**

During the period ended 31 March 2025, the Group does not have any legal claims or progress to existing legal claims that need additional explanation other than disclosed as of 31 December 2024 the consolidated financial statements. The Group properly records the provision related to these carried forward legal claims. Provision rates and probable outflows are considered while estimating the provisions. The Group does not record provision for the legal claims that would not result in a probable cash outflow.

Commitments and contingencies

The breakdown of letters of guarantee, guarantee notes given, mortgage and pledges (together referred to as Guarantees) by the Group as of 31 March 2025 and 31 December 2024 is as follows:

	31 March 2025		31 December 2024	
	Original Currency	USD Equivalent	Original Currency	USD Equivalent
Letters of guarantee, guarantee notes given, mortgage and pledges				
A. Total amount of guarantees provided by the Company on behalf of itself		1,271,416		1,140,975
-USD	190,249	190,249	228,046	228,046
-EUR	377,114	406,435	309,598	322,374
-TL	1,441,646	38,174	1,387,368	39,324
-Others (*)		636,558		551,231
B. Total amount for guarantees provided on behalf of subsidiaries accounted under full consolidation method		107		108
-USD	85	85	85	85
-EUR	-	-	-	-
-TL	822	22	822	23
-Others (*)		-		-
C. Provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-
D. Other guarantees given	-	-	-	-
i. Total amount of guarantees given on behalf of the parent company	-	-	-	-
ii. Total amount of guarantees provided on behalf of the associates which are not in the scope of B and C	-	-	-	-
iii. Total amount of guarantees provided on behalf of third parties which are not in the scope of C	-	-	-	-
		<u>1,271,523</u>		<u>1,141,083</u>

(*) U.S Dollar equivalents of letters of guarantee, guarantee notes given, mortgage and pledges other than USD, TL and EUR. As of 31 March 2025 the portion of other guarantess given to shareholders' equity is 0% (31 December 2024 - 0%).

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9. RELATED PARTY BALANCES AND TRANSACTIONS

No extraordinary or significant transaction is realized with related parties throughout the interim period.

10. SHARE CAPITAL AND RESERVES

The shareholders of the Group and their percentage of ownership as of 31 March 2025 and 31 December 2024 is as follows:

	31 March 2025		31 December 2024	
	Percentage of ownership	Amount	Percentage of ownership	Amount
Tara Holding A.Ş.	49.80%	1,370,475	49.80%	1,370,475
Vildan Gülçelik	7.99%	219,931	7.99%	219,931
Sevda Gülçelik	6.43%	176,951	6.43%	176,951
Enka Spor Eğitim ve Sosyal Yardım Vakfı	5.87%	161,540	5.87%	161,540
Other	29.91%	823,062	29.91%	823,062
	100%	2,751,959	100%	2,751,959
Purchase of treasury shares		(126,701)		(126,701)
		2,625,258		2,625,258

Based on the Group's Ordinary General Assembly held on 28 March 2025; regarding to the distribution of the year 2024 profit, it has been resolved to distribute dividend to its shareholders for each TL 1 (full TL) nominal valued share net in total TL 12,000,000 further it has been resolved to distribute TL 147,027 as cash dividend to founder shares. The Dividend decided to be distributed was distributed on 16 April 2025.

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11. INVESTMENT INCOME / EXPENSES

	1 January- 31 March 2025	1 January- 31 March 2024
Income from investing activities		
Interest income from financial investments	15,337	20,739
Increase in value of financial investments*	-	87,297
Foreign exchange income from investing activities	27,590	13,395
Income from sale of securities	14,583	15,343
Dividend income	1,209	3,563
Gains from sales of property, plant and equipment	815	1,354
	<u>59,534</u>	<u>141,691</u>
Expenses from investing activities		
Losses from valuation of investment securities*	(24,954)	-
Foreign exchange losses from investing activities	(36,779)	(15,566)
Losses from sale of securities	(3,018)	(8,503)
Loss from sales of property, plant and equipment	(3)	(27)
	<u>(64,754)</u>	<u>(24,096)</u>

*"Increase in value of financial investments" classified under Income from Investing Activities is the valuation profit resulting from valuation of Financial Investments amounting to USD 4,455,033 in the Group's balance sheet within the scope of IFRS 9. The breakdown of this valuation profit by financial assets is as follows.

	31 March 2025	31 March 2024
Financial assets at fair value through profit or loss		
Private sector bonds	(5,678)	736
Foreign Government bonds	43,285	17,364
Equity securities	(47,119)	61,231
Turkish Government bonds	(993)	370
Mutual funds	(14,449)	7,596
	<u>(24,954)</u>	<u>87,297</u>

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro, Russian Ruble, TL and also U.S Dollar which arises from the liabilities belonging to the companies in the consolidation scope, whose the functional currency is not U.S Dollar.

The Group is engaged in construction, trading, energy and real estate operations business in several countries and, as a result, is exposed to movements in foreign currency exchange rates. In addition to transactional exposures, the Group is also exposed to foreign exchange movements on its net investments in foreign subsidiaries.

The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

The foreign currency risk of the Group arises from the credits used in U.S. Dollars and Euro. In order to mitigate the risk, the Group continuously monitors its cash inflows/outflows and also uses financial instruments to hedge the risk when it is necessary.

The following table details the Group's foreign currency position as at 31 March 2025 and 31 December 2024:

	<u>31 March 2025</u>	<u>31 December 2024</u>
A. Assets denominated in foreign currency	1,326,835	1,294,304
B. Liabilities denominated in foreign currency	<u>(763,288)</u>	<u>(718,768)</u>
Net foreign currency position (A+B)	<u>563,547</u>	<u>575,536</u>

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk (cont'd)

The Group's foreign currency position at 31 March 2025 and 31 December 2024 is as follows (non-monetary items are not included in the table as they don't have foreign currency risk) :

31 March 2025							
	TL	USD Equivalent	Euro	USD Equivalent	Other USD (*)	USD (**)	Total USD Equivalent
Cash and cash equivalents	1,918,779	50,808	240,837	259,574	187,814	15,562	513,758
Financial investments	4,644,265	122,976	120,153	129,501	165,544	-	418,021
Trade and other receivables	617,515	16,351	48,145	51,890	110,147	6,146	184,534
Other current assets	708,128	18,751	65,547	70,647	44,294	64,878	198,570
Current assets	7,888,687	208,886	474,682	511,612	507,799	86,586	1,314,883
Financial investments	-	-	-	-	-	-	-
Trade and other receivables	-	-	8,865	9,555	-	-	9,555
Other non-current assets	51,577	1,366	386	416	612	3	2,397
Non-current assets	51,577	1,366	9,251	9,971	612	3	11,952
Total assets	7,940,264	210,252	483,933	521,583	508,411	86,589	1,326,835
Trade and other payables	761,362	20,160	124,052	133,704	409,328	20,400	583,592
Other current liabilities	-	-	-	-	-	-	-
and accrued expenses	1,595,242	42,241	3,945	4,252	96,864	16,580	159,937
Current liabilities	2,356,604	62,401	127,997	137,956	506,192	36,980	743,529
Trade and other payables	-	-	-	-	-	-	-
Long-term borrowings	-	-	-	-	16,647	-	16,647
Other non-current liabilities	-	-	-	-	-	3,112	3,112
Non-current liabilities	-	-	-	-	16,647	3,112	19,759
Total liabilities	2,356,604	62,401	127,997	137,956	522,839	40,092	763,288
Net foreign currency position	5,583,660	147,851	355,936	383,627	(14,428)	46,497	563,547
Net notional amount of derivatives	-	-	21,000	22,634	-	-	22,634

(*) U.S. Dollar equivalents of the foreign currency balances other than TL and Euro.

(**) U.S. Dollar balances of consolidated subsidiaries and joint ventures whose functional currency is other than U.S. Dollar.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars ("USD") unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk (cont'd)

	31 December 2024						Total USD Equivalent
	TL	USD Equivalent	Euro	USD Equivalent	Other USD (*)	USD (**)	
Cash and cash equivalents	896,386	25,408	152,208	158,494	303,662	36,678	524,242
Financial investments	3,565,445	101,060	126,016	131,220	159,913	-	392,193
Trade and other receivables	1,050,222	29,768	57,397	59,768	87,440	4,284	181,260
Other current assets	737,585	20,906	61,119	63,644	36,859	63,698	185,107
Current assets	6,249,638	177,142	396,740	413,126	587,874	104,660	1,282,802
Financial investments	-	-	-	-	-	-	-
Trade and other receivables	-	-	9,176	9,555	-	-	9,555
Other non-current assets	45,915	1,301	96	100	543	3	1,947
Non-current assets	45,915	1,301	9,272	9,655	543	3	11,502
Total assets	6,295,553	178,443	406,012	422,781	588,417	104,663	1,294,304
Trade and other payables	642,783	18,219	122,133	127,177	366,715	37,907	550,018
Other current liabilities and accrued expenses	1,310,442	37,144	1,472	1,532	96,463	14,282	149,421
Current liabilities	1,953,225	55,363	123,605	128,709	463,178	52,189	699,439
Trade and other payables	-	-	-	-	-	-	-
Long-term borrowings	-	-	-	-	16,647	-	16,647
Other non-current liabilities	-	-	-	-	-	2,682	2,682
Non-current liabilities	-	-	-	-	16,647	2,682	19,329
Total liabilities	1,953,225	55,363	123,605	128,709	479,825	54,871	718,768
Net foreign currency position	4,342,328	123,080	282,407	294,072	108,592	49,792	575,536
Net notional amount of derivatives	-	-	(25,000)	(26,033)	-	-	(26,033)

(*) U.S. Dollar equivalents of the foreign currency balances other than TL and Euro.

(**) U.S. Dollar balances of consolidated subsidiaries and joint ventures whose functional currency is other than U.S. Dollar.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars ("USD") unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk (cont'd)

	31 March 2025		31 December 2024	
	Profit / (loss)		Profit / (loss)	
	Valuation of foreign currency	Devaluation of foreign currency	Valuation of foreign currency	Devaluation of foreign currency
<i>In the case of TL gaining 10% value against US Dollar</i>				
1- TL net asset / (liability)	14,785	(14,785)	12,308	(12,308)
2- Portion hedged against TL risk (-)	-	-	-	-
3- TL net effect (1+2)	14,785	(14,785)	12,308	(12,308)
<i>In the case of Euro gaining 10% value against US Dollar</i>				
4- Euro net asset / (liability)	38,363	(38,363)	29,407	(29,407)
5- Portion hedged against Euro risk (-)	2,263	(2,263)	(2,603)	2,603
6- Euro net effect (4+5)	40,626	(40,626)	26,804	(26,804)
<i>In the case of other foreign currencies gaining 10% value against US Dollar</i>				
7- Other foreign currency net asset / (liability)	(1,443)	1,443	10,859	(10,859)
8- Portion hedged against other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect (7+8)	(1,443)	1,443	10,859	(10,859)
Total (3+6+9)	53,968	(53,968)	49,971	(49,971)

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars ("USD") unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

13. FINANCIAL INSTRUMENTS – FAIR VALUE EXPLANATIONS AND ACCOUNTING POLICY FOR HEDGING FINANCIAL RISK

Fair value of financial assets and liabilities

Fair value is the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Foreign currency denominated receivables and payables are revalued with the exchange rates valid as of the date of the financial statements.

The following methods and assumptions were used to estimate the fair value of the financial instruments that are not carried at fair value on the balance sheet:

Financial assets

The fair values of cash, amounts due from banks and other monetary assets are considered to approximate their respective carrying values due to their short-term nature. The carrying values of trade receivables are estimated to be their fair values due to their short-term nature. It is considered that the fair values of the long-term receivables are approximate to their respective carrying values as they are accounted for in foreign currencies.

Financial liabilities

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The fair values of bank borrowings are considered to approximate their respective carrying values, since initial rates applied to bank borrowings are updated periodically by the lender to reflect active market price quotations. The fair values of the trade receivables after discount are considered to be approximate to their corresponding carrying values. It is considered that the fair values of the long-term payables and long term financial borrowings are approximate to their respective carrying values as they are accounted for in foreign currencies.

Fair value hierarchy

The Group classifies the fair value measurement of each class of financial instruments that are measured at fair value on the balance sheet, according to the source, using three-level hierarchy, as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts are expressed as thousands of U.S. Dollars ("USD") unless otherwise stated. Currencies other than USD are expressed in thousands unless otherwise indicated.)

13. FINANCIAL INSTRUMENTS – FAIR VALUE EXPLANATIONS AND ACCOUNTING POLICY FOR HEDGING FINANCIAL RISK (cont'd)

Fair value hierarchy (cont'd)

31 March 2025

	Level 1	Level 2	Level 3
Private sector bonds	566,840	-	-
Equity securities	1,124,087	20,609	8,488
Foreign government bonds	2,297,479	-	-
Turkish government bonds	183,188	-	-
Mutual funds	193,635	35,773	24,934
Financial assets at fair value through profit or loss	4,365,229	56,382	33,422
Derivative instruments	-	(2,915)	-
Financial liabilities at fair value through profit or loss	-	(2,915)	-

31 December 2024

	Level 1	Level 2	Level 3
Private sector bonds	584,113	-	-
Equity securities	1,159,415	19,110	8,367
Foreign government bonds	2,116,135	-	-
Turkish government bonds	159,951	-	-
Mutual funds	214,235	34,293	24,734
Financial assets at fair value through profit or loss	4,233,849	53,403	33,101
Derivative instruments	-	5,729	-
Financial liabilities at fair value through profit or loss	-	5,729	-

14. SUBSEQUENT EVENTS

None.