

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

Condensed Consolidated Interim Financial
Statements as at and for the Six-Months Period
Ended with Independent Auditor's Review
30 June 2025

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors Enka İnşaat ve Sanayi A.Ş.

We have reviewed the accompanying interim condensed consolidated statement of financial position of Enka İnşaat ve Sanayi A.Ş. (the “Company”) and its subsidiaries (together the “Group”) as of 30 June 2025 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six -month period then ended. Group management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Standards on Auditing. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 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 is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with ISAs , “Interim Financial Reporting”.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Burç Seven
Partner

İstanbul, 15 August 2025

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ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

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

ASSETS	Note	30 June 2025	31 December 2024
Current Assets		4,673,331	4,527,245
Cash and cash equivalents		1,075,643	1,199,361
Financial investments	13	2,239,767	2,135,512
Trade receivables		400,509	439,196
Other receivables			
Other receivables from related parties		7	1
Other receivables from third parties		5,233	4,486
Inventories		469,738	390,068
Prepaid expenses		248,089	215,697
Costs and estimated earnings in excess of billings			
on uncompleted contracts	5	153,359	72,565
Other current assets		66,318	54,811
		<u>4,658,663</u>	<u>4,511,697</u>
Assets held for sale		14,668	15,548
Non-Current Assets		6,213,138	5,776,264
Financial investments	13	2,277,474	2,184,841
Investment properties	6	2,052,144	1,813,159
Property, plant and equipment		1,821,710	1,684,550
Right of use assets		40,174	40,892
Intangible assets			
Other intangible assets		15,370	49,365
Deferred tax assets		3,591	2,627
Prepaid expenses		1,654	244
Other non-current assets		1,021	586
TOTAL ASSETS		<u>10,886,469</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 30 JUNE 2025

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

		30 June 2025	31 December 2024
LIABILITIES	Note		
Current Liabilities		1,638,944	1,558,340
Short-term borrowings		125	120
Current portion of long-term borrowings		5,435	4,196
Trade payables		310,615	356,218
Payables to employees		47,258	29,562
Other payables			
Payables to related parties		1	-
Payables to third parties		27,399	22,043
Billings in excess of costs and estimated earnings			
on uncompleted contracts	5	355,651	439,717
Deferred income		718,677	564,954
Taxation on income		42,272	32,979
Provisions			
Provisions for employee benefits		14,579	18,319
Other provisions		38,074	35,502
Other current liabilities		78,858	54,730
Non-Current Liabilities		876,654	717,120
Long-term borrowings		136,336	111,972
Other payables		28,088	25,582
Provisions for employee benefits		21,544	20,308
Deferred tax liabilities		690,686	559,258
EQUITY		8,370,871	8,028,049
Equity Attributable to Equity Holders of the Parent		8,263,573	7,919,631
Share capital	10	2,751,959	2,751,959
Treasury Shares	10	(126,701)	(126,701)
Revaluation surplus		272,742	282,231
Currency translation difference		(1,288,069)	(1,549,670)
Other reserves		(11,850)	(10,803)
Legal reserves and accumulated profit		6,665,492	6,572,615
Non-Controlling Interests		107,298	108,418
TOTAL LIABILITIES AND EQUITY		10,886,469	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 30 JUNE 2025

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

	Note	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
CONTINUING OPERATIONS					
Revenue	4	1,718,645	1,325,959	893,576	736,204
Cost of revenues (-)	4	(1,250,977)	(992,909)	(647,593)	(543,082)
GROSS PROFIT		467,668	333,050	245,983	193,122
Administrative expenses (-)	4	(96,573)	(87,993)	(34,535)	(24,424)
Marketing, selling and distribution expenses (-)	4	(19,249)	(15,925)	(8,246)	(8,284)
Other operating income	4	21,664	31,285	13,761	10,878
Other operating expenses (-)	4	(15,969)	(18,285)	(8,710)	(6,400)
PROFIT FROM OPERATIONS		357,541	242,132	208,253	164,892
Income from investing activities	4,11	334,738	230,304	275,204	88,613
Expenses from investing activities (-)	4,11	(106,973)	(35,538)	(42,219)	(11,442)
OPERATING PROFIT					
BEFORE FINANCE EXPENSES		585,306	436,898	441,238	242,063
Financial income	4	56,903	27,592	30,301	12,115
Financial expenses (-)	4	(28,826)	(24,465)	(20,475)	(15,458)
Net monetary loss (-)	4	(13,967)	(11,815)	(2,748)	(6,810)
PROFIT BEFORE TAX					
FROM CONTINUING OPERATIONS		599,416	428,210	448,316	231,910
Current tax expense (-)		(69,904)	(47,229)	(39,153)	(22,938)
Deferred tax income / (expense)		(90,863)	(20,058)	(88,201)	(4,807)
NET PROFIT (LOSS) FOR THE PERIOD		438,649	360,923	320,962	204,165
Attributable to:					
Non-controlling interest		22,979	11,158	12,038	6,220
Equity holders of the parent		415,670	349,765	308,924	197,945
		438,649	360,923	320,962	204,165
Earning / (Loss) per share from continuing operations					
- ordinary share certificate (full USD)		0.07	0.06	0.05	0.03
Weighted average number of shares					
(1 dollar weighted average shares)		5,862,743,582	5,862,743,582	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 30 JUNE 2025

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

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
NET PROFIT FOR THE PERIOD	438,649	360,923	320,962	204,165
Other Comprehensive Income / (Expense):				
Items that will not be reclassified subsequently to profit or loss	(6,831)	(3,322)	(2,973)	265
<i>Remeasurement of defined benefit plans</i>	(1,397)	701	(1,653)	2,002
<i>Changes in revaluation fund of property</i>	(5,783)	(4,023)	(1,733)	(1,737)
Changes in currency translation difference in revaluation fund of property	(5,783)	(4,023)	(1,733)	(1,737)
<i>Income tax relating to remeasurement of defined benefit plans</i>	349	(175)	413	(500)
Items that may be reclassified subsequently to profit or loss	306,775	104,252	111,482	211,084
Changes in currency translation difference	306,775	104,252	111,482	211,084
OTHER COMPREHENSIVE INCOME / (LOSS)	299,944	100,755	108,509	210,849
TOTAL COMPREHENSIVE INCOME	738,593	461,678	429,471	415,014
Attributable to:				
Non-controlling interest	35,126	8,773	19,694	6,255
Equity holders of the parent	703,467	452,905	409,777	408,759
	738,593	461,678	429,471	415,014

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 30 JUNE 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	-	-	4,444	11,464	527	86,705	103,140	(2,385)	100,755
Profit for the period	-	-	-	-	-	349,765	349,765	11,158	360,923
Total comprehensive income	-	-	4,444	11,464	527	436,470	452,905	8,773	461,678
Increase (Decrease) through Treasury Share Transactions	-	-	-	-	-	-	-	-	-
Transfer of depreciation difference (net of deferred tax) of revaluation effect	-	-	(149)	-	-	149	-	-	-
Dividends paid	10	-	-	-	-	(330,787)	(330,787)	(27,426)	(358,213)
Balance at 30 June 2024	2,751,959	(126,701)	194,917	(1,475,904)	(9,969)	6,113,273	7,447,575	79,365	7,526,940
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	-	-	(9,267)	261,601	(1,047)	36,510	287,797	12,147	299,944
Profit for the period	-	-	-	-	-	415,670	415,670	22,979	438,649
Total comprehensive income	-	-	(9,267)	261,601	(1,047)	452,180	703,467	35,126	738,593
Transfer of depreciation difference (net of deferred tax) of revaluation effect	-	-	(222)	-	-	222	-	-	-
Dividends paid	10	-	-	-	-	(359,525)	(359,525)	(36,246)	(395,771)
Balance at 30 June 2025	2,751,959	(126,701)	272,742	(1,288,069)	(11,850)	6,665,492	8,263,573	107,298	8,370,871

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 30 JUNE 2025

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

	1 January- 30 June 2025	1 January- 30 June 2024
Cash flows from operating activities		
Profit for the period	438,649	360,923
Adjustments to reconcile net income to net cash used in operating activities:		
- Adjustments related to depreciation and amortisation	60,483	51,555
- Adjustments related to provision for employment	2,351	3,006
- Adjustments related to allowance for doubtful receivables	145	90
- Adjustments related to provision for litigations	715	317
- (Income) / loss from fair value of forward transactions	4,869	(2,491)
- Adjustments to related to interest expense	1,549	838
- Adjustments to related to interest income	(59,496)	(33,241)
- Adjustments to related to dividend income	11 (5,012)	(5,498)
- Adjustments to related to provision for inventory impairment, net	288	586
- Adjustments to related to gain on sale or disposal of property, plant and equipment, net	11 (1,965)	(3,330)
- Adjustments to related to fair value increase in investment properties	6 (304)	(322)
- Adjustments to related to valuation of investment securities	(198,663)	(176,666)
- Tax expense	160,767	67,287
	404,376	263,054
Movements in working capital		
Change in trade and other receivables	38,535	18,324
Change cost and estimated earnings in excess of billings on uncompleted contracts	(80,794)	5,446
Change in inventory	(79,958)	(108,988)
Change in other current assets and other non current assets	(45,610)	15,712
Change in trade and other payables	(45,603)	3,042
Change in billings in excess of cost and estimated earnings on uncompleted contracts	(84,066)	(10,619)
Change provision for liabilities and other liabilities	195,608	86,080
	(101,888)	8,997
Income taxes paid	(60,611)	(65,533)
Employee termination benefits paid	(1,228)	(1,082)
Net cash generated from operating activities	240,649	205,436
Cash flows from investing activities		
Purchases of financial investments	(380,094)	(221,861)
Sale of financial investments	382,768	365,550
Proceeds on disposal or sale of property, plant and equipment	7 6,076	7,361
Purchases of property, plant and equipment, intangible assets and investment properties	(94,894)	(140,486)
Interest received	11 30,118	17,757
Dividend received	11 5,012	5,498
Net cash used in investing activities	(51,014)	33,819
Cash flows from financing activities		
Repayments of borrowings	(475)	(58)
Interest received	29,378	15,484
Interest paid	(1,968)	(502)
Dividend paid to non-controlling interests	(36,246)	(27,426)
Dividend paid	(359,525)	(330,787)
Net cash used in financing activities	(368,836)	(343,289)
Inflation effect	(52,504)	(33,192)
Translation reserve	107,987	35,504
Net increase / (decrease) in cash and cash equivalents	(123,718)	(101,722)
Cash and cash equivalents at beginning of the period	1,199,361	1,230,086
Cash and cash equivalents at end of the period	1,075,643	1,128,364

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 30 JUNE 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 30 June 2025, 8.28% of the shares of Enka İnşaat is traded publicly in İstanbul Stock Exchange (“ISE”).

As of 30 June 2025, the average numbers of white and blue-collar personnel are respectively 4,654 and 20,798 (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 30 JUNE 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 15 August 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 30 JUNE 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 30 June 2025, 31 December 2024 and 30 June 2024, the buying rates and average rates for one U.S. Dollar can be summarized as below:

	30 June 2025	31 December 2024	30 June 2024
U.S. Dollars/TL – as of balance sheet date	39.7408	35.2803	32.8262
U.S. Dollars/TL – yearly average	37.4504	32.7984	31.6040
U.S. Dollars/EUR – as of balance sheet date	0.8527	0.9604	0.9345
U.S. Dollars/EUR – yearly average	0.9130	0.9242	0.9247
U.S. Dollars/RBL – as of balance sheet date	78.4685	101.6797	85.7480
U.S. Dollars/RBL – yearly average	87.0346	92.5652	90.6794

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 30 June 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 30 JUNE 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
30 June 2025	3,132.17	1.0000	220%
31 December 2024	2,684.55	1.16674	291%
30 June 2024	2,319.29	1.35049	324%

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.

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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 30 June 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 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:

IFRS 17

Insurance Contracts

Amendments to IFRS 17

Initial Application of IFRS 17 and IFRS 9 — Comparative Information

IFRS 18

Presentation and Disclosures in Financial Statements

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

2.4 New and Amended Financial Reporting Standards

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

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace IFRS 4 Insurance Contracts on 1 January 2026.

Amendments to IFRS 17 Insurance Contracts and Initial Application of IFRS 17 and IFRS 9 – Comparative Information

Amendments have been made in IFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of IFRS 17.

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.

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.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

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 - 30 June 2025					
	Construction contracts	Rental	Trade	Energy	Eliminations	Consolidated
Revenues	1,169,087	182,853	152,906	213,799	-	1,718,645
Inter-segment revenues	46,611	4,296	2,271	-	(53,178)	-
Cost of revenues (-)	(875,273)	(64,933)	(107,981)	(202,790)	-	(1,250,977)
Inter-segment cost of revenues (-)	(46,611)	(4,296)	(2,271)	-	53,178	-
Gross profit	293,814	117,920	44,925	11,009	-	467,668
Administrative expenses (-)	(79,144)	(3,661)	(6,935)	(6,833)	-	(96,573)
Marketing expenses (-)	(8,678)	(3,128)	(7,443)	-	-	(19,249)
Other operating income	18,638	1,197	1,220	609	-	21,664
Other operating expenses (-)	(13,051)	(268)	(1,762)	(888)	-	(15,969)
Profit from operations	211,579	112,060	30,005	3,897	-	357,541
Investment income	333,781	634	-	323	-	334,738
Investment expenses (-)	(106,933)	-	-	(40)	-	(106,973)
Profit from operations before financial income / (expenses)	438,427	112,694	30,005	4,180	-	585,306
Financial income	38,009	4,908	650	13,336	-	56,903
Financial expenses (-)	(20,711)	(3,720)	(4,046)	(349)	-	(28,826)
Net monetary gain (loss)	-	-	(150)	(13,817)	-	(13,967)
Profit / (loss) before tax	455,725	113,882	26,459	3,350	-	599,416
Current tax expense (-)	(32,338)	(22,582)	(8,516)	(6,468)	-	(69,904)
Deferred taxation income/ (expenses)	(53,601)	630	(1,085)	(36,807)	-	(90,863)
Profit / (loss) for the period from continuing operations	369,786	91,930	16,858	(39,925)	-	438,649
	30 June 2025					
	Construction contracts	Rental	Trade	Energy		Consolidated
Segment assets	6,986,397	2,130,148	287,109	1,482,815		10,886,469
Total assets	6,986,397	2,130,148	287,109	1,482,815		10,886,469
Segment liabilities	1,589,296	564,219	139,163	222,920		2,515,598
Total liabilities	1,589,296	564,219	139,163	222,920		2,515,598
	1 January - 30 June 2025					
Other segment information	Construction contracts	Rental	Trade	Energy		Consolidated
<u>Capital expenditures</u>						
Investment Property						
Property, plant and equipment & investment property	34,187	1,534	1,023	57,559		94,303
Intangible assets	123	392	73	3		591
Total capital expenditures	34,310	1,926	1,096	57,562		94,894
Depreciation expense	26,223	911	1,253	30,730		59,117
Amortisation expense	1,172	20	136	38		1,366

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

4. SEGMENTAL INFORMATION (cont'd)

a) Business segments(cont'd)

	1 April - 30 June 2025					
	Construction contracts	Rental	Trade	Energy	Eliminations	Consolidated
Revenues	645,513	97,122	84,638	66,303	-	893,576
Inter-segment revenues	20,884	2,602	918	-	(24,404)	-
Cost of revenues (-)	(492,493)	(35,992)	(59,659)	(59,449)	-	(647,593)
Inter-segment cost of revenues (-)	(20,884)	(2,602)	(918)	-	24,404	-
Gross profit	153,020	61,130	24,979	6,854	-	245,983
Administrative expenses (-)	(27,095)	(1,886)	(2,365)	(3,189)	-	(34,535)
Marketing expenses (-)	(2,946)	(1,672)	(3,628)	-	-	(8,246)
Other operating income	11,816	819	867	259	-	13,761
Other operating expenses (-)	(8,282)	(53)	84	(459)	-	(8,710)
Profit from operations	126,513	58,338	19,937	3,465	-	208,253
Investment income	275,059	150	-	(5)	-	275,204
Investment expenses (-)	(43,724)	1,521	-	(16)	-	(42,219)
Profit from operations before financial income / (expenses)	357,848	60,009	19,937	3,444	-	441,238
Financial income	25,314	2,008	(1,096)	4,075	-	30,301
Financial expenses (-)	(13,550)	(3,454)	(3,359)	(112)	-	(20,475)
Net monetary gain (loss)	-	-	(61)	(2,687)	-	(2,748)
Profit before tax	369,612	58,563	15,421	4,720	-	448,316
Current tax expense (-)	(21,609)	(8,944)	(4,973)	(3,627)	-	(39,153)
Deferred taxation income/ (expenses)	(50,144)	(2,147)	471	(36,381)	-	(88,201)
Profit for the period from continuing operations	297,859	47,472	10,919	(35,288)	-	320,962
	1 April - 30 June 2025					
	Construction contracts	Rental	Trade	Energy	Consolidated	
Other segment information						
<u>Capital expenditures</u>						
Investment Property						
Property, plant and equipment & investment property	20,758	1,447	660	23,174	46,039	
Intangible assets	91	365	41	2	499	
Total capital expenditures	20,849	1,812	701	23,176	46,538	
Depreciation expense	13,498	491	644	15,679	30,312	
Amortisation	586	9	74	19	688	

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4. SEGMENTAL INFORMATION (cont'd)

a) Business segments(cont'd)

	1 January - 30 June 2024					
	Construction contracts	Rental	Trade	Energy	Eliminations	Consolidated
Revenues	1,006,082	158,990	109,730	51,157	-	1,325,959
Inter-segment revenues	52,478	3,385	20,075	-	(75,938)	-
Cost of revenues (-)	(784,993)	(53,612)	(65,621)	(88,683)	-	(992,909)
Inter-segment cost of revenues (-)	(52,478)	(3,385)	(20,075)	-	75,938	-
Gross profit	221,089	105,378	44,109	(37,526)	-	333,050
Administrative expenses (-)	(76,239)	(3,315)	(3,106)	(5,333)	-	(87,993)
Marketing expenses (-)	(6,696)	(2,865)	(6,364)	-	-	(15,925)
Other operating income	15,155	1,208	6,392	8,530	-	31,285
Other operating expenses (-)	(7,969)	(507)	(702)	(9,107)	-	(18,285)
Profit from operations	145,340	99,899	40,329	(43,436)	-	242,132
Investment income	229,888	399	-	17	-	230,304
Investment expenses (-)	(35,368)	(7)	-	(163)	-	(35,538)
Profit from operations before financial income / (expenses)	339,860	100,291	40,329	(43,582)	-	436,898
Financial income	17,728	2,029	1,417	6,418	-	27,592
Financial expenses (-)	(10,504)	(3,064)	(10,626)	(271)	-	(24,465)
Net monetary gain (loss)	-	-	266	(12,081)	-	(11,815)
Profit before tax	347,084	99,256	31,386	(49,516)	-	428,210
Current tax expense (-)	(23,554)	(16,638)	(7,037)	-	-	(47,229)
Deferred taxation income/ (expenses)	(17,256)	(2,341)	(329)	(132)	-	(20,058)
Profit for the period from continuing operations	306,274	80,277	24,020	(49,648)	-	360,923
	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 - 30 June 2024					
Other segment information	Construction contracts	Rental	Trade	Energy		Consolidated
<u>Capital expenditures</u>						
Property, plant and equipment & investment property	37,238	886	719	101,132		139,975
Intangible assets	200	19	284	8		511
Total capital expenditures	37,438	905	1,003	101,140		140,486
Depreciation expense	26,626	887	1,222	21,400		50,135
Amortisation expense	1,284	15	101	20		1,420

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4. SEGMENTAL INFORMATION (cont'd)

a) Business segments(cont'd)

	1 April - 30 June 2024					
	Construction contracts	Rental	Trade	Energy	Eliminations	Consolidated
Revenues	561,550	79,543	63,219	31,892	-	736,204
Inter-segment revenues	24,718	1,690	17,320	-	(43,728)	-
Cost of revenues (-)	(434,472)	(23,903)	(33,987)	(50,720)	-	(543,082)
Inter-segment cost of revenues (-)	(24,718)	(1,690)	(17,320)	-	43,728	-
Gross profit	127,078	55,640	29,232	(18,828)	-	193,122
Administrative expenses (-)	(18,321)	(1,619)	(1,437)	(3,047)	-	(24,424)
Marketing expenses (-)	(3,247)	(1,437)	(3,600)	-	-	(8,284)
Other operating income	6,503	356	3,413	606	-	10,878
Other operating expenses (-)	(2,747)	(61)	(229)	(3,363)	-	(6,400)
Profit from operations	109,266	52,879	27,379	(24,632)	-	164,892
Investment income	88,810	(31)	-	(166)	-	88,613
Investment expenses (-)	(11,345)	-	-	(97)	-	(11,442)
Profit from operations before financial income / (expenses)	186,731	52,848	27,379	(24,895)	-	242,063
Financial income	9,307	1,202	741	865	-	12,115
Financial expenses (-)	(5,209)	(2,656)	(7,464)	(129)	-	(15,458)
Net monetary gain (loss)	-	-	(721)	(6,089)	-	(6,810)
Profit before tax	190,829	51,394	19,935	(30,248)	-	231,910
Current tax expense (-)	(12,730)	(8,305)	(4,726)	2,823	-	(22,938)
Deferred taxation income/ (expenses)	(5,412)	(923)	912	616	-	(4,807)
Profit for the period from continuing operations	172,687	42,166	16,121	(26,809)	-	204,165

	1 April - 30 June 2024					
	Construction contracts	Rental	Trade	Energy		Consolidated
Other segment information						
Capital expenditures						
Property, plant and equipment & investment property	19,693	337	302	53,644		73,976
Intangible assets	30	(16)	69	4		87
Total capital expenditures	19,723	321	371	53,648		74,063
Depreciation expense	14,363	461	613	8,940		24,377
Amortisation expense	638	11	54	3		706

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4. SEGMENTAL INFORMATION (cont'd)

b) Geographical segments

1 January - 30 June 2025						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Net sales	733,946	508,202	344,590	131,907	-	1,718,645
Inter-segment sales	48,882	4,296	-	-	(53,178)	-
Capital expenditures	77,719	2,966	11,008	3,201	-	94,894
30 June 2025						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Segmental assets	6,981,900	2,979,802	546,974	377,793	-	10,886,469
1 April - 30 June 2025						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Net sales	371,052	249,114	210,727	62,683	-	893,576
Inter-segment sales	21,802	2,602	-	-	(24,404)	-
Capital expenditures	35,346	2,404	5,882	2,906	-	46,538
1 January - 30 June 2024						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Net sales	417,785	497,874	304,332	105,968	-	1,325,959
Inter-segment sales	72,553	3,385	-	-	(75,938)	-
Capital expenditures	99,891	4,367	35,160	1,068	-	140,486
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
1 April - 30 June 2024						
	Turkey	Russian Federation, Kazakhstan	Europe	Other	Eliminations	Consolidated
Net sales	239,366	274,167	158,599	64,072	-	736,204
Inter-segment sales	42,038	1,690	-	-	(43,728)	-
Capital expenditures	56,147	2,596	14,884	436	-	74,063

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5. CONSTRUCTION CONTRACTS

The Group's construction contract details as of 30 June 2025 and 31 December 2024 is as follows:

	30 June 2025	31 December 2024
Costs incurred on uncompleted contracts	3,937,091	3,326,560
Recognized profit less recognized losses to date, net	1,346,245	1,169,479
	<u>5,283,336</u>	<u>4,496,039</u>
Less: Progress billing	(5,485,628)	(4,863,191)
	<u>(202,292)</u>	<u>(367,152)</u>
	30 June 2025	31 December 2024
Costs and estimated earnings in excess of billings on uncompleted contracts	153,359	72,565
Billings in excess of costs and estimated earnings on uncompleted contracts	(355,651)	(439,717)
	<u>(202,292)</u>	<u>(367,152)</u>

As of 30 June 2025, the amount of advances received of subsidiaries and companies shares in joint operations is USD 655,521 (31 December 2024: USD 508,237).

6. INVESTMENT PROPERTIES

As of 30 June 2025 and 30 June 2024, movement of investment properties is as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Opening balance	1,813,159	1,821,962
Currency translation difference	238,568	39,587
Transfers from fixed assets	-	4,572
Additions	160	180
Disposals	(47)	-
Change in present value of lease obligations	304	322
Closing balance	<u>2,052,144</u>	<u>1,866,623</u>

7. PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2025 the Group purchased property plant and equipment amounting to USD 94,143 (30 June 2024: USD 139,795). In addition, during the period ended 30 June 2025 net book value of USD 4,111 (30 June 2024: USD 4,031) property plant and equipment sold for USD 6,076 (30 June 2024: USD 7,361).

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8. COMMITMENTS

Litigations

During the period ended 30 June 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 30 June 2025 and 31 December 2024 is as follows:

Letters of guarantee, guarantee notes given, mortgage and pledges	30 June 2025		31 December 2024	
	Original Currency	USD Equivalent	Original Currency	USD Equivalent
A. Total amount of guarantees provided by the Company on behalf of itself		1,405,426		1,140,975
-USD	172,261	172,261	228,046	228,046
-EUR	453,754	532,155	309,598	322,374
-TL	1,455,511	36,625	1,387,368	39,324
-Others (*)		664,385		551,231
B. Total amount for guarantees provided on behalf of subsidiaries accounted under full consolidation method		106		108
-USD	85	85	85	85
-EUR	-	-	-	-
-TL	822	21	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>1,405,532</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 30 June 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 30 June 2025 and 31 December 2024 is as follows:

	30 June 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.

Based on the power vested in the Board of Directors of Enka İnşaat by the General Assembly in its ordinary Meeting held on 28 March 2025; regarding to the distribution of the period between 1 January – 31 March 2025 profit, it is resolved to distribute dividend advance total TL 1,900,000 to the shareholders. The Dividend Advance decided to be distributed was distributed on 11 June 2025.

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11. INVESTMENT INCOME / EXPENSES

	1 January- 30 June 2025	1 January- 30 June 2024
Income from investing activities		
Interest income from financial investments	30,118	17,757
Increase in value of financial investments*	178,207	143,426
Foreign exchange income from investing activities	54,515	10,658
Income from sale of securities	64,914	49,632
Dividend income	5,012	5,498
Gains from sales of property, plant and equipment	1,972	3,333
	<u>334,738</u>	<u>230,304</u>
Expenses from investing activities		
Foreign exchange losses from investing activities	(62,508)	(19,143)
Losses from sale of securities	(44,458)	(16,392)
Loss from sales of property, plant and equipment	(7)	(3)
	<u>(106,973)</u>	<u>(35,538)</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 4,517,241 in the Group's balance sheet within the scope of IFRS 9. The breakdown of this valuation profit by financial assets is as follows.

	30 June 2025	30 June 2024
Financial assets at fair value through profit or loss		
Private sector bonds	4,575	295
Foreign Government bonds	10,998	9,443
Equity securities	134,039	119,769
Turkish Government bonds	1,350	2,522
Mutual funds	27,245	11,397
	<u>178,207</u>	<u>143,426</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 30 June 2025 and 31 December 2024:

	<u>30 June 2025</u>	<u>31 December 2024</u>
A. Assets denominated in foreign currency	1,356,123	1,294,304
B. Liabilities denominated in foreign currency	<u>(946,426)</u>	<u>(718,768)</u>
Net foreign currency position (A+B)	<u><u>409,697</u></u>	<u><u>575,536</u></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 30 June 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) :

30 June 2025							
	TL	USD Equivalent	Euro	USD Equivalent	Other USD (*)	USD (**)	Total USD Equivalent
Cash and cash equivalents	694,703	17,481	163,038	191,211	272,647	13,471	494,810
Financial investments	4,124,501	103,785	115,475	135,429	184,783	-	423,997
Trade and other receivables	495,983	12,480	54,432	63,837	119,915	7,624	203,856
Other current assets	1,039,270	26,151	50,549	59,284	76,681	67,441	229,557
Current assets	6,354,457	159,897	383,494	449,761	654,026	88,536	1,352,220
Financial investments	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Other non-current assets	54,925	1,382	109	127	2,391	3	3,903
Non-current assets	54,925	1,382	109	127	2,391	3	3,903
Total assets	6,409,382	161,279	383,603	449,888	656,417	88,539	1,356,123
Trade and other payables	690,747	17,381	114,558	134,354	558,939	18,435	729,109
Other current liabilities and accrued expenses	1,680,001	42,274	5,377	6,306	129,718	19,211	197,509
Current liabilities	2,370,748	59,655	119,935	140,660	688,657	37,646	926,618
Trade and other payables	-	-	-	-	-	-	-
Long-term borrowings	-	-	-	-	16,647	-	16,647
Other non-current liabilities	-	-	-	-	-	3,161	3,161
Non-current liabilities	-	-	-	-	16,647	3,161	19,808
Total liabilities	2,370,748	59,655	119,935	140,660	705,304	40,807	946,426
Net foreign currency position	4,038,634	101,624	263,668	309,228	(48,887)	47,732	409,697
Net notional amount of derivatives	-	-	55,000	64,504	-	-	64,504

(*) 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.

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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	66,573	69,323	87,440	4,284	190,815
Other current assets	737,585	20,906	61,119	63,644	36,859	63,698	185,107
Current assets	6,249,638	177,142	405,916	422,681	587,874	104,660	1,292,357
Financial investments	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Other non-current assets	45,915	1,301	96	100	543	3	1,947
Non-current assets	45,915	1,301	96	100	543	3	1,947
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.

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

Foreign currency risk (cont'd)

	30 June 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)	10,162	(10,162)	12,308	(12,308)
2- Portion hedged against TL risk (-)	-	-	-	-
3- TL net effect (1+2)	10,162	(10,162)	12,308	(12,308)
<i>In the case of Euro gaining 10% value against US Dollar</i>				
4- Euro net asset / (liability)	30,923	(30,923)	29,407	(29,407)
5- Portion hedged against Euro risk (-)	6,450	(6,450)	(2,603)	2,603
6- Euro net effect (4+5)	37,373	(37,373)	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)	(4,889)	4,889	10,859	(10,859)
8- Portion hedged against other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect (7+8)	(4,889)	4,889	10,859	(10,859)
Total (3+6+9)	42,646	(42,646)	49,971	(49,971)

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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.

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

Fair value hierarchy (cont'd)

30 June 2025

	Level 1	Level 2	Level 3
Private sector bonds	577,711	-	-
Equity securities	1,299,591	21,116	8,858
Foreign government bonds	2,074,416	-	-
Turkish government bonds	161,698	-	-
Mutual funds	310,216	38,701	24,934
Financial assets at fair value through profit or loss	4,423,632	59,817	33,792
Derivative instruments	-	(5,883)	-
Financial liabilities at fair value through profit or loss	-	(5,883)	-

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.